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DELTA REPORT

10-K

STAGWELL INC

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	10214
CHANGES	434
DELETIONS	6823
ADDITIONS	2957

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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended **December 31, 2022** **December 31, 2023**

or

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

For the transition period from _____ to _____

Commission File Number: 001-13718

 Logo.jpg

Stagwell Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

86-1390679

(IRS Employer Identification No.)

One World Trade Center, Floor 65

New York, New York

(Address of principal executive offices)

10007

(Zip Code)

(646) 429-1800

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.001 per share	STGW	NASDAQ

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ☒

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

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

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐ ☒

Indicate by check mark whether any of those error corrections are restatements that required recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the shares of all classes of voting and non-voting common stock of the registrant held by non-affiliates as of June 30, 2022 June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$410.1 \$628.9 million, computed upon the basis of the closing sales price \$5.43 of \$7.21 of the Class A Common Stock on that date.

The number of shares of common stock outstanding as of February 28, 2023 March 1, 2024 was 131,605,852 116,906,352 shares of Class A Common Stock 2,271 shares of Class B Common Stock, and 160,909,058 151,648,741 shares of Class C Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement relating to the 2023 2024 Annual Meeting of Stockholders are incorporated by reference in Part III of this Annual Report on Form 10-K where indicated.

STAGWELL INC.

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EXPLANATORY NOTE

On December 21, 2020, MDC Partners Inc. ("MDC") and Stagwell Media LP ("Stagwell Media") announced that they had entered into an agreement, providing for the combination of MDC with the operating businesses and subsidiaries of Stagwell Media (the "Stagwell Subject Entities") (the "Transaction Agreement"). The Stagwell Subject Entities comprised Stagwell Marketing Group LLC ("Stagwell Marketing" or "SMG") and its direct and indirect subsidiaries.

On August 2, 2021 (the "Closing Date"), we completed the combination of MDC and the Stagwell Subject Entities and a series of steps and related transactions (such combination and transactions, the "Transactions"). In connection with the Transactions, among other things, (i) MDC completed a series of transactions pursuant to which it emerged as a wholly owned subsidiary of the Company, converted into a Delaware limited liability company and changed its name to Midas OpCo Holdings LLC ("OpCo"); which was subsequently renamed Stagwell Global LLC; (ii) Stagwell Media contributed the equity interests of Stagwell Marketing and its direct and indirect subsidiaries to OpCo; and (iii) the Company converted into a Delaware corporation, succeeded MDC as the publicly-traded company and changed its name to Stagwell Inc.

The Transactions were treated as a reverse acquisition for financial reporting purposes, with MDC treated as the legal acquirer and Stagwell Marketing treated as the accounting acquirer. As a result of the Transactions and the change in our business and operations, under applicable accounting principles, the historical financial results of Stagwell Marketing prior to August 2, 2021 are considered our historical financial results. Accordingly, historical information presented in this Annual Report on Form 10-K (this "Form 10-K")

for events occurring or periods ending before August 2, 2021 does not reflect the impact of the Transactions or the financial results of MDC and may not be comparable with historical information for events occurring or periods ending on or after August 2, 2021.

References in this Form 10-K to "Stagwell," "we," "us," "our" and the "Company" refer (i) with respect to events occurring or periods ending before August 2, 2021, to Stagwell Marketing Group LLC and its direct and indirect subsidiaries and (ii) with respect to events occurring or periods ending on or after August 2, 2021, to Stagwell Inc. and its direct and indirect subsidiaries.

All dollar amounts are stated in U.S. dollars unless otherwise stated.

Forward-Looking Statements

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company's representatives may also make forward-looking statements orally or in writing from time to time. Statements in this document that are not historical facts, including, statements about the Company's beliefs and expectations, future financial performance, growth, and future prospects, the Company's strategy, business and economic trends and growth, technological leadership and differentiation, potential acquisitions, anticipated operating efficiencies and synergies and estimates of amounts for redeemable noncontrolling interests and deferred acquisition consideration, constitute forward-looking statements. Forward-looking statements, which are generally denoted by words such as "anticipate," "aim," "anticipate," "assume," "believe," "continue," "could," "create," "estimate," "expect," "focus," "forecast," "foresee," "future," "goal," "guidance," "in development," "intend," "likely," "look," "maintain," "may," "ongoing," "opportunity," "outlook," "plan," "possible," "potential," "predict," "project," "should," "target," "will," "would" or the negative of such terms or other variations thereof and terms of similar substance used in connection with any discussion of current plans, estimates and projections are subject to change based on a number of factors, including those outlined in this section.

Forward-looking statements in this document are based on certain key expectations and assumptions made by the Company. Although the management of the Company believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. The material assumptions upon which such forward-looking statements are based include, among others, assumptions with respect to general business, economic and market conditions, the competitive environment, anticipated and unanticipated tax consequences and anticipated and unanticipated costs. These forward-looking statements are based on current plans, estimates and projections, and are subject to change based on a number of factors, including those outlined in this section. These forward-looking statements are subject to various risks and uncertainties, many of which are outside the Company's control. Therefore, you should not place undue reliance on such statements. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update publicly any of them in light of new information or future events, if any.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statements. Such risk factors include, but are not limited to, the following:

- risks associated with international, national and regional unfavorable economic conditions that could affect the Company or its clients;
- the continued impact of the coronavirus pandemic ("COVID-19"), and evolving strains of COVID-19 on the economy and demand for the Company's services, which may precipitate or exacerbate other risks and uncertainties;
- inflation and actions taken by central banks to counter inflation;
- the Company's ability to attract new clients and retain existing clients;
- the impact of a reduction in client spending and changes in client advertising, marketing and corporate communications requirements;
- financial failure of the Company's clients;
- the Company's ability to retain and attract key employees;
- the Company's ability to compete in the markets in which it operates;
- the Company's ability to achieve its cost saving initiatives;
- the Company's implementation of strategic initiatives;
- the Company's ability to remain in compliance with its debt agreements and the Company's ability to finance its contingent payment obligations when due and payable, including but not limited to those relating to redeemable noncontrolling interests and deferred acquisition consideration;
- the Company's ability to manage its growth effectively, including the successful completion and integration of acquisitions that complement and expand the Company's business capabilities;
- the Company's ability to develop products incorporating new technologies, including augmented reality, artificial intelligence, and virtual reality, and realize benefits from such products;
- an inability to realize expected benefits of the combination of the Company's business with the business use of MDC; artificial intelligence, including generative artificial intelligence
- adverse tax consequences in connection with the Transactions for the Company, its operations and its shareholders, stockholders, that may differ from the expectations of the Company, including that future changes in tax law, laws, potential increases to corporate tax rates in the United States and disagreements with the tax authorities on the Company's determination of value and computations of its attributes determinations that may result in increased tax costs;
- adverse tax consequences in connection with the occurrence Transactions, including the incurrence of material Canadian federal income tax (including material "emigration tax") as a result of the Transactions;
- the Company's unremediated material weaknesses in internal control over financial reporting and its ability to establish and maintain an effective system of internal control over financial reporting; including the risk that the Company's internal controls will fail to detect misstatements in its financial statements;

- the Company's ability to accurately forecast its future financial performance and provide accurate guidance;
- the Company's ability to protect client data from security incidents or cyberattacks;
- economic disruptions resulting from war and other geopolitical tensions (such as the ongoing military conflict between Russia and Ukraine) Ukraine and in Israel and Gaza), terrorist activities and natural disasters;
- stock price volatility; and
- foreign currency fluctuations.

Investors should carefully consider these risk factors, the additional risk factors outlined under the caption "Risk Factors" in this Annual Report on Form 10-K, and in the Company's other filings with the Securities and Exchange Commission (the "SEC") which are accessible on the SEC's website at www.sec.gov.

SUPPLEMENTARY FINANCIAL INFORMATION

The Company reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP"). However, the Company has included certain non-GAAP financial measures and ratios, which it believes, provide useful information to both management and readers of this report in measuring the financial performance and financial condition of the Company. These measures do not have a standardized meaning prescribed by GAAP and, therefore, may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to other titled measures determined in accordance with GAAP.

PART I

Item 1. Business

About Us

Stagwell Inc. is the challenger network built to transform marketing. Stagwell delivers scaled creative performance for some of the world's most ambitious brands, connecting creativity with leading-edge technology to harmonize the art and science of marketing. Led by entrepreneurs, as of December 31, 2022 we employed more than 12,000 employees approximately 13,000 people, including contractors, in more than over 34 countries across the globe who drive effectiveness and improve business results for our more than 4,000 blue-chip customers. customers as of December 31, 2023. In addition, as of December 31, 2023, our affiliate network adds Global Affiliate Network added coverage in over 30 additional countries.

Stagwell offers the capabilities marketers need in the digital age: Digital Transformation, Performance Media & Data, Consumer Insights & Strategy, and Creativity & Communications, Communications, and "software as a service" ("SaaS") and "data as a

service" ("DaaS") technology tools within the Stagwell Marketing Cloud Group. Our global scale allows us to compete for many of the largest marketing contracts available, including multi-regional contracts with annual fees of more than \$10 million. Stagwell operates in a highly competitive and fragmented industry, but we believe we have a distinct advantage given our digital composition and its alignment with the broader marketplace. Additionally, the Stagwell Marketing Cloud, our proprietary suite of software-as-a-service ("SaaS") SaaS and data-as-a-service ("DaaS") DaaS technology solutions is designed for in-house modern marketers spans and includes applications across the marketing value chain—research and insights, communications technology, specialty media studios and advanced media platforms (including augmented reality), and media studios. reality ("AR"). Stagwell provides a suite of marketing services that serve marketers' needs as well as tech-driven self-service technology-driven solutions for in-house marketers. Through the Stagwell Marketing Cloud, Stagwell is investing in the frontiers of marketing, with technology products that fuel augmented reality ("AR") experiences for stadium goers and live events, and artificial intelligence ("AI") for content creation, "instant" market research, and for communications professionals. professionals and AR experiences for stadium goers and live events. This is a key part of the future strategy for the company.

Stagwell has grown through a combination of organic growth and investment. Beginning with a single company in 2015, Stagwell focused on the fastest-growing area of marketing: digital services. Between 2015 and 2021, we acquired companies including digital transformation and digital media groups like Code and Theory and ForwardPMX. In 2019, Stagwell Media made a \$100 million investment into MDC, the parent company of creative powerhouses including 72andSunny, Anomaly, Crispin, Porter & Bogusky, Doner and Forsman & Bodenfors. Recognizing the potential of those companies, Stagwell's

reorganization and careful management of the portfolio turned MDC around. In August 2021, Stagwell Media completed the Transactions with MDC to become Stagwell Inc.

Stagwell's unified corporate team is the foundation of a powerful value creation platform focused on scaling our portfolio of marketing services firms, which we refer to as Brands, "Brands," and driving continual network evolution. We plan to invest continue investing in our core digital platforms, continue developing our suite of digital products in the Stagwell Marketing Cloud, increase increasing our technology leadership through investment and innovation, and further expand expanding our international footprint both organically and via our Global Affiliate Network to deliver value for our clients, employees, and shareholders.

Our Market

Industry Trends

The digital revolution has changed where and how brands relate to consumers and created an entirely new, highly complex content and commerce ecosystem. Historically, marketing was characterized by television and brand advertising targeted to broad audiences: everyone saw the same advertisement at the same time. Over the last 15 years, two decades, digital innovation has created new, personalized ways to reach targeted consumers and spurred a fundamental shift in the marketing services landscape. Growth now comes primarily from digital marketing, helping brands meet customers across the entire online ecosystem. We believe every company today at its core is a digital marketing company.

Five

We believe five key trends describe the industry today:

First, online advertising now accounts for more than half of global advertising spend, and two-thirds of spend in the United States alone, with the shift further accelerating as new media channels like connected television and platforms like Snap diversify the digital channels dominating content and commerce. Online now means virtually everywhere: website, mobile, social media, television, out-of-home, and immersive in-person experiences.

Second, advertising is commerce. Digital platforms provide ways for brands to reach consumers directly through e-commerce. Platforms as diverse as TikTok, Instacart, and LinkedIn have created new ways for brands to interact with their customers. Brands can sell their products directly on their sites, via digital platforms such as Amazon or through interactive experiences enabled by social media. Digital platforms also allow advocacy groups and political campaigns to reach constituents to mobilize support or raise funds online. Retail media networks add complexity and opportunity to brands' consumer engagement approaches, strategies.

Third, data is everywhere. Platform and channel growth has created an explosion of addressable data that can be used to better understand consumer desires, habits, and needs in real-time, allowing the delivery of content that consumers want, when they want it, and where they want it. New sources Sources of online data include web, mobile, email, social, and connected TV – in addition to emerging products, apps and wearables that enhance day-to-day experiences. The emergence of vast amounts of data spans behavioral, transactional, demographic, psychographic and geographic categories. As connectivity grows, the value of raw data declines – but we believe the ability to derive actionable insights from the data, as Stagwell businesses do, increases.

Fourth, frontier technology technologies such as AI and AR are gaining critical foothold among mass consumers, reshaping how businesses connect. Both technologies have evolved past initial niche or enterprise use cases and are now reaching lay consumers, and businesses now are investing in making them widely accessible to consumer audiences, as seen with generative AI tools like ChatGPT and AR tools like Stagwell Marketing Cloud's ARound. Stagwell is at the forefront of innovating with this technology, implementing these innovations across our client work, and incubating original and proprietary technology that drives to drive business results and sits on what we refer to as the next frontier of marketing. As AI in particular drives cross-sector transformation, we are delivering solutions around the "Three Es" of AI: enablement across operations, efficiency in marketing, and engagement with consumers.

Finally, marketing technology is transforming the industry. SaaS and DaaS products are increasing the efficiency of marketing campaigns and in-house marketing operations, utilizing cutting edge technologies such as AI and automated media modeling, scaled consumer insights, campaign and asset management, brand reputation tracking, and more.

Competitive Landscape

Stagwell operates in a highly competitive and fragmented industry. Stagwell's Brands compete for business and talent with the operating subsidiaries of large global holding companies such as Omnicom Group Inc., Interpublic Group of Companies, Inc., WPP plc, Publicis Groupe SA, Dentsu Inc. and Havas SA, as well as with numerous independent agencies that operate in multiple markets. Our Brands also face competition from consultancies, like Accenture and Deloitte, tech platforms, media companies and other services firms that offer related services. Stagwell's Brands must compete with these other companies to maintain and grow existing client relationships and to obtain new clients and assignments. Individual products within the Stagwell Marketing Cloud also typically compete with offerings that may be provided within broader service offerings at large global holding companies or provided on a standalone basis by technology startups or other industry participants such as Infosys, Wipro and Cognizant.

During the decades when marketing was dominated by television, the marketing services industry experienced significant consolidation as legacy advertising holding companies built substantial portfolios of often overlapping creative, communications, PR, and media businesses to achieve financial efficiencies by centralizing administrative operations. These holding companies grew significantly in size and market share.

The rapid rise of digital channels, convergence of advertising and commerce, explosion in addressable data and marketing technology created a paradigm shift in the industry. While legacy models still accounted for a significant share of the market in 2021 2022, we believe they are largely underexposed to the digital areas of the market experiencing the highest levels of client demand growth. In recent years, a number of large consulting firms with information technology implementation backgrounds have entered the marketing services market and, collectively, achieved significant market share. However, we believe these firms' lack of creative and media expertise limits their long-term growth potential as true challengers to the legacy marketing holding companies.

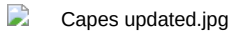
With a combination of talent and technology, we believe that Stagwell is well positioned to take advantage of the continued transformation sweeping the marketing ecosystem and to disrupt the marketing services landscape. Stagwell was born digital and now has a global network of entrepreneurial companies that deliver the right combination of creativity and technology for the modern, digital marketer through a model that emphasizes flexibility and integration. In addition, as AI drives transformation across marketing sectors, we believe our additional focus on AI-enabled product development in the Stagwell Marketing Cloud sets us apart.

Our Offering

Principal Capabilities

Stagwell's Brands provide differentiated, digital-first marketing and related services to a diverse client base across many industries.

Our principal capabilities fall into four five categories: 1) Stagwell Marketing Cloud Group 2) Digital Transformation 2) 3) Performance Media & Data 3) 4) Consumer Insights & Strategy and 4) 5) Creativity & Communications. Taken together, these capabilities provide an integrated suite of marketing services for our blue-chip customer base.



Digital Transformation. We build digital services and products for clients. We design and build digital platforms and experiences that support the delivery of content, commerce, services and sales. We create websites, mobile applications, back-end systems, content and data management systems, and other digital environments enabling clients to engage with consumers across the digital ecosystem. We steer significant digital transformations for businesses, blending data, analytics & research and organizational consulting to drive impact with technology. We design and implement technology and data strategies to support digital services needed for our clients. We also implement technology and strategies for utilizing digital channels to mobilize and raise funds from proponents and constituents to support political candidates, non-profit groups and issue organizations in the public arena. Lastly, As businesses across every sector are likely to grapple with the impact of AI, we develop proprietary, in-house software implement AI to enable stronger operations for our clients, more efficient marketing, and related technology products, including AI-based communications technology, cookie-less data platforms for advanced audience

targeting and activation, software tools for e-commerce applications, specialty media solutions in the fast-growing augmented reality space, and innovative applications of text messaging for consumer new engagement which we license to clients using subscription-based SaaS and DaaS models, methods with consumers.

Performance Media & Data. We develop omnichannel media strategies and provide coordinated execution for the placement of advertisements across the media funnel including digital channels, performance marketing and analog placements globally. Unlike legacy holding companies that own large amounts of television inventory and therefore must sell it, we take a media-agnostic approach leveraging digital technologies and media in addition to analog advertising. Our media services include media solutions such as audience analysis, and media buying and planning, ranging across the platforms a modern marketer needs to engage consumers.

Consumer Insights & Strategy. We perform large-scale online surveys, specialized research, and data analytics across the consumer journey to provide strategic insights and guidance that informs business content, product, communications and media strategies for many of the world's largest companies, including numerous Fortune 100 clients. We have differentiated specialization in brand and corporate reputation tracking, theatrical and streaming content and strategy, and technology product design and marketing, and we believe our Brands are at the forefront of innovation in the field.

Creativity & Communications. We develop holistic, creativity-based content strategies and campaigns from concept to execution through to optimization. These services include strategy development, advertising creation, live events, immersive digital experiences, cross platform engagement, and social media content. We also provide strategic communications, public relations and public affairs services including media relations, thought leadership, investor and financial relations, social media, executive positioning and visibility.

Stagwell Marketing Cloud Group. We develop proprietary, in-house software and related technology products, including AI-enabled communications, research, and media technology, cookie-less data platforms for advanced targeting and activation, software tools for e-commerce applications, specialty media solutions in the fast-growing augmented reality space, and innovative applications of text-messaging for consumer engagement, which we license to clients using subscription-based SaaS and DaaS models.

We group our Brands into these principal capability categories based on the source of most of their revenue. We also classify Digital Transformation, Performance Media & Data, and Consumer Insights & Strategy, and Stagwell Marketing Cloud Group as "Digital" though Brands categorized as Creativity & Communications generate a significant portion of revenue from creativity and content delivered on digital channels and some, such as 72andSunny and Anomaly, do meaningful amounts of digital work that fluctuates as a percentage of revenue. We believe our concentration of digital capabilities today provides a competitive advantage in the marketplace and positions us to benefit from continued digital disruption in the marketing services industry. We plan to continue to invest in our core digital platforms as well as emerging technologies to effectively support marketing transformation for our clients.

Network Structure & Reportable Segments

Stagwell maintains a 100% ownership position in substantially all of its Brands, and the remainder are majority owned with management of the Brands owning the remaining equity. Stagwell generally has rights to increase ownership of non-wholly owned subsidiaries to 100% over a defined period of time.

The Company organizes its Brands into three reportable segments: "Integrated Agencies Network," "Brand Performance Network" and the "Communications Network." In addition, the Company combines and discloses operating segments that do not meet the aggregation criteria as "All Other." The Company also reports corporate expenses, as further detailed below, as "Corporate."

The reportable segments are:

- The **Integrated Agencies Network** includes five operating segments: the Anomaly Alliance, Constellation, the Doner Partner Network, Code and Theory, and National Research Group. The operating segments offer an array of complementary services spanning our core capabilities of Digital Transformation, Performance Media & Data, Consumer Insights & Strategy, and Creativity & Communications. The Brands included in the operating segments that comprise the Integrated Agencies Network reportable segment are as follows: Anomaly Alliance (Anomaly, Concentric, Hunter, Mono, YML and Scout (Brands) (Anomaly), Constellation (72andSunny, Colle McVoy, Hunter, Instrument, Redscout, Hello Design, Team Enterprises, Harris Insights, Left Field Labs, and Harris Insights) Movers and Shakers), the Doner Partner Network (Doner, KWT Global, Harris X, Veritas, Doner North, Northstar, which is currently sunseting, and Yamamoto (Brands)), Code and Theory, and National Research Group. ConcentricLife, which was part of Anomaly Alliance was sold on October 31, 2023.

These operating segments share similar characteristics related to (i) the nature of their services; (ii) the type of clients and the methods used to provide services; and (iii) the extent to which they may be impacted by global economic and geopolitical risks. In addition, these operating segments may occasionally compete with each other for new

business or have business move between them.

- The **Brand Performance Network** ("BPN"), previously referred to as the "Media Network" reportable segment, is comprised of a single operating segment. BPN includes a unified media and data management structure with omnichannel media placement, creative media consulting, influencer and business-to-business marketing capabilities. Our Brands in this segment aim to provide scaled creative performance through developing and executing

sophisticated omnichannel campaign strategies leveraging significant amounts of consumer data. BPN's Brands provide media solutions such as audience analysis, media planning, and buying across a range of digital and traditional platforms (out-of-home, paid search, social media, lead generation, programmatic, television, broadcast, among others) and includes multichannel Brands Assembly, Brand New Galaxy, Crispin Porter Bogusky, Forsman & Bodenfors, Goodstuff, Bruce Mau, Design, Goodstuff, MMI Agency, digital creative & transformation consultancy Gale, B2B specialist Multiview, Observatory, Vitro, CX specialists Kenna, and travel media experts Ink.

- The **Communications Network** reportable segment is comprised of a single operating segment, our specialist network that provides advocacy, strategic corporate communications, investor relations, public relations, online fundraising and other services to both corporations and political and advocacy organizations and consists of our Allison & Partners brands, SKDK (including Sloane & Company), brands, and Targeted Victory brands.
- **All Other** consists of the Company's digital innovation group and Stagwell Marketing Cloud Group, including Maru and Epicenter, and products such as ARound, PRophet ARound and Reputation Defender (which was sold in September 2021), SmartAssets.
- **Corporate** consists of corporate office expenses incurred in connection with the strategic resources provided to the operating segments, as well as certain other centrally managed expenses that are not fully allocated to the operating segments. These office and general expenses include (i) salaries and related expenses for corporate office employees, including employees dedicated to supporting the operating segments, (ii) occupancy expenses relating to properties occupied by all corporate office employees, (iii) other office and general expenses including professional fees for the financial statement audits and other public company costs, and (iv) certain other professional fees managed by the corporate office. Additional expenses managed by the corporate office that are directly related to the operating segments are allocated to the appropriate reportable segment and the All Other category.

Go-To-Market Strategy

Our global go-to-market strategy is key to our objective of providing our clients with a balanced combination of leading-edge technology and creative talent. We go to market in four main ways: as individual Brands, as networks where collaboration across services is needed, as Stagwell Global when we create multi-region, Stagwell-wide teams, and as the Stagwell Marketing Cloud, which delivers SaaS and DaaS products for in-house marketers.

Unlike legacy holding companies who have focused on achieving cost synergies by consolidating brands within their networks, Stagwell focuses on collaboration. We believe it is important for our Brands to maintain their individual identities to attract the highest quality talent within their capabilities of expertise. Maintaining strong brand identities within our integrated Brands and specialist networks provides a structure supporting both individual and joint go-to-market approaches. Maintaining separate Brands with flexibility to integrate also enables effective management of potential conflicts of interest. Go-to-market collaboration typically occurs on larger engagements requiring services across multiple capabilities or geographies.

To further support collaboration, Stagwell provides financial incentives for Brands to collaborate with one another through referrals and the sharing of both services and expertise. Network and Brand leaders have components of incentive compensation that are based on Stagwell's overall performance and the overall performance of their integrated or specialist networks to incentivize go-to-market collaboration.

In addition to our owned Brands, we maintain a network of go-to-market alliances with like-minded independent brands, tech companies and marketing services firms in key markets around the world. These partners, which we refer to as Global Affiliates, enable us to increase our local-market reach and qualify for business opportunities that require enhanced capabilities in specific local markets without taking on additional costs. Launched in early 2021, by December 2022 As of December 31, 2023, the Global Affiliate Network had achieved its goal of growing to include included more than 75 80 affiliates.

Our distinct Brand structure enables us to work with multiple clients within the same business sector, and many of our largest clients are served by multiple Brands or Brands in within our portfolio. The Brands' work is supported by a centralized marketing and new business team that fosters collaboration, sources new business opportunities and communicates across industries to drive awareness of our offerings. Additionally, a centralized corporate innovation team develops and invests in proprietary digital marketing products that are distributed by Brands across the network, further enhancing the value proposition Stagwell Stagwell's Brands are able offer to offer clients.

Our Strategy

The key components of the Stagwell strategy are Digital, Integrated, Global, and Strategic ("DIGS"). We believe the DIGS model gives us a sustainable, long-term path to significant growth and supports our primary objectives which are sustaining achieving strong levels of organic growth, increasing our digital revenue mix, increasing international scale, expanding the average client relationship size, and maintaining improving strong margins and free cash flow. We believe pursuing these objectives will position us to increase value for our shareholders.

Our strategy is focused around on six specific initiatives: 1) Investing in Digital Capabilities, 2) Expanding Addressable Markets, 3) Effective Integration at Scale, 4) Strategic Value Creation Platform, 5) Maintaining a Highly Variable Cost Structure, and 6) Efficient Capital Allocation.

Investing in Digital Capabilities

Our digital businesses serve the areas where we expect the fastest growth in the marketing space and position us to lead the wave of transformation in the industry. By investing in our core digital platforms and introducing proprietary SaaS and DaaS marketing technology ("martech") products, we aim to increase the digital proportion of our net revenue. We aim to expand our digital capabilities in three main ways:

- First, we intend to continue to invest in our leading digital Brands like Code and Theory, Instrument and YML, Left Field Labs. This planned investment includes funding new capabilities and supporting cross-selling via our Integrated Agencies Network, which has already created additional opportunities. We intend to invest in these Brands' emerging technologies, including AI solutions, to remain at the forefront of the transformation of marketing services.
- Second, we intend to pursue complementary acquisition opportunities to bolster our existing assets in areas such as digital transformation and digital media buying. We have built a successful track record of "bolt-on" acquisitions such as TrueLogic Software, LLC, Ramenu S.A. and Polar Bear Development S.R.L., a Latin America engineering shop, and Kettle Solutions, LLC ("Kettle"), a content and digital design firm.
- Third, we are investing intend to continue to invest in the Stagwell Marketing Cloud, a suite of technology products in development or early-stage commercialization spanning influencer marketing, audience segmentation, public relations, immersive experiences commercialization. These include AI-enabled solutions in communications technology, research and brand insights, insights, media, and advanced media solutions. These products are licensed to our clients using subscription-based

SaaS and DaaS models and distributed by Brands across our network. We believe the Stagwell Marketing Cloud positions us to serve in-house marketing departments and create recurring, high-value revenue streams in the future. We have also made strategic acquisitions for the Stagwell Marketing Cloud, including The People Platform (formerly Epicenter Experience, Experience), an enterprise software company that leverages mobile and location data to map and sequence complex consumer behavior patterns, and Maru Group, a leading software experience and insights data platform.

Expanding Addressable Markets

We are focused on expanding our addressable markets through investments that increase our global footprint as well as adding emerging marketing technologies in areas expected to have strong secular growth. We believe increasing our geographic presence and breadth of capabilities will allow us to significantly grow our average client relationship size over time.

- **International Markets:** Our strategy for growing our international operations is focused on expanding our media buying, content creation and digital capabilities in new markets, which will improve our qualifications for large multi-regional contracts with the largest global marketers. For example, in April 2022, we acquired Brand New Galaxy, a scaled provider of end-to-end e-commerce services such as DTC strategy, digital content production, automation, and complex technology implementations. The acquisition bolsters Stagwell's Stagwell's broad e-commerce capabilities to service more global clients and provides significant scale in Europe. Further, in April 2023, we acquired In the Company of Huskies, a Dublin-based creative shop with services such as creative and brand marketing, strategy, and insights, which functionally expanded Stagwell's footprint to Ireland under the Forsman & Bodenfors brand.
- We maintain a Global Affiliate network that enables us to deliver creative, performance, media and technology capabilities at the scale required to serve the world's largest marketers. Our affiliates provide local talent and insights for regional engagements without requiring investment capital. We believe our Global Affiliates will be a valuable source for acquisitions, allowing Stagwell to vet companies before formal investment. Brand New Galaxy was our first affiliate and affiliate acquisition. As of December 31, 2022 December 31, 2023, we had over 75 80 Global Affiliate partners in our network.
- **Emerging Marketing Technologies:** In addition to the advertising and marketing services market, we believe our investments in the Stagwell Marketing Cloud will position us to address new, rapidly expanding market opportunities, including marketing data, campaign martech, the metaverse, and AR and VR applications. For example, Stagwell's AI-enabled instant research tool Harris Quest is now operating in over a dozen countries, and signed its 150th client in 2023, and Stagwell's shared AR product ARound has launched stadium-level experiences with professional sporting teams in Major League Baseball and the National Football League, namely the Minnesota Twins and the Los Angeles Rams. We expect to expand app integrations for ARound further in 2024.

Effective Integration at Scale

We expect continue to derive drive significant long-term operating efficiencies from the Transactions through initiatives that have been and continue to be rolled out over the 36 months following the completion of the Transactions. We have made progress against our plan and anticipate with realization, on a run-rate basis, of the initial expected synergies will be realized over a period of 36 months from the time of \$30 million committed to after the Transactions. We expect the The synergies will come came from real estate consolidation, implementation of shared services across the Company that were enabled by our global enterprise resource planning and human resource information system deployments, elimination of redundancies in the Stagwell Brand Performance Network, scaling operational resources in lower cost markets, and third-party spend recapture, among other cost-saving initiatives. We have targeted additional operating efficiencies related to these initiatives that we expect to implement by the end of 2024.

Within our client-facing integrated and specialist networks we see further opportunity to achieve operating efficiencies by increasing our non-U.S. based engineering footprint. We are focused on scaling our development capabilities in lower cost

lower-cost markets, specifically Latin America, India, and Southeast Asia. Our engineering talent is primarily focused on building and designing digital platforms, applications, tools, and experiences for our clients and are typically more highly concentrated in our Brands categorized within our Digital Transformation primary capability. We believe we already have a substantial engineering presence globally – more than 1,500 approximately 1 in 10 Stagwell employees are engineers total as of December 31, 2022 December 31, 2023 – and have developed the necessary skills to support hiring, training and managing large teams outside the United States. We believe these markets offer a significant supply of quality technical talent to meet increasing client demand for high-speed delivery of digital transformation and production services.

Stagwell Value Creation Platform

We believe our engaged, unified corporate team provides a growth platform for value creation through both revenue and cost synergies for our existing Brands and prospective investments. We are led by a management team with deep industry expertise and a track record of growing and managing marketing services businesses. The Stagwell platform provides a foundation to support efficient, accretive scaling of our global network and our high-growth digital transformation and digital

media capabilities. Our corporate objective is to accelerate the growth and improve the profitability of our Brands, and we believe Brands see strategic value in being part of the Stagwell network.

Our value creation platform has three layers: Client Services, Growth Investment and Shared Services.

Our **Client Services** layer aims to facilitate revenue growth through go-to-market support. Our Global Solutions team provides a single point of contact for key clients, coordinating our go-to-market strategies for large, multi-regional contracts or business opportunities requiring cross-Brand, cross-capability or cross-market services. Our Global Growth team provides prospecting and new business services to our Brands, working in partnership with our Brand team which supports messaging and communications efforts. At the network level, the Stagwell **Brand Performance Network BPN** provides a corporate structure to cost-effectively coordinate our global media placement capabilities, while our Global Affiliate Network positions our Brands to pitch for and win opportunities requiring capabilities in specific local markets.

Our **Growth Investment** layer is designed to drive continual network evolution and bolsters competitive advantages in key markets, capabilities, and emerging technologies and consists of two teams: centralized investment and innovation. Our central investment team, which has a strong track record of accretive investments, provides expertise in sourcing, negotiating and structuring investments in close partnership with our Brand leadership, to drive efficient scaling of our networks and accelerate growth. In addition to our investment team, a centralized innovation team provides development capabilities for the Stagwell Marketing Cloud and bespoke client needs.

Our **Shared Services** layer provides unified back-office systems via Stagwell CORE ("CORE"), **the Company's newly formed a** platform that focuses on transitioning away from disparate teams, processes and systems and establishing a standardized platform. CORE provides centralized services across back office operational functions, including information technology ("IT"), accounts payable and receivable, real estate, enterprise-level contract administration, and accounting services. With a focus on driving shareholder value by optimizing cost structures and facilitating efficient integration of acquired businesses, CORE's services are highly standardized with an emphasis on scalability to support Stagwell's growth.

Maintaining a Highly Variable Cost Structure

We are focused on maintaining a business model that has attractive cash flow, revenue growth and margin expansion and plan to maintain a highly variable cost structure that allows us to be nimble. We aim to focus our investments on people-based businesses that operate with a high percentage of variable costs. Our at-will employment structure positions us to respond rapidly to changing market conditions in order to maintain margins. We also strive to diligently deploy low capital investment strategies. For example, we believe our Global Affiliate Network strategy for expanding international capabilities positions us to maintain a high level of flexibility through macroeconomic cycles.

Our management team has successfully demonstrated an ability to efficiently operate, manage and grow a profitable portfolio of diverse advertising businesses through periods of dramatic changes in consumer behavior, technological advancement and economic cycles. The team has a successful track record of investing, acquisition execution and integration as well as recruiting and retaining the key talent that drives our operating businesses.

Efficient Capital Allocation

We are focused on delivering **continued** strong organic growth and free cash flow to support efficient capital allocation that generates value for our shareholders. Our primary use of capital is expected to be funding diligently structured, highly accretive investment in businesses we believe will support sustainable future growth by increasing the breadth and depth of our capabilities. We also expect more modest capital allocation towards **minimizing reducing** shareholder dilution, reducing leverage in order to provide increased financial flexibility, and funding development of proprietary technology and products for the Stagwell Marketing Cloud.

Our Clients

As of **December 31, 2022** **December 31, 2023**, Stagwell served over 4,000 clients across a wide range of sectors, representing some of the world's most recognized brands including: Google, Amazon, Diageo, Nike, Apple, P&G, **Novo Nordisk**, United Airlines, Salesforce and more. In many cases, we serve the same clients in various geographic locations, across multiple disciplines, and through multiple Stagwell Brands. Representation of a client rarely means that Stagwell handles marketing communications for all brands or product lines of the client in every geographical location. In **2022, 2023**, net revenue from our top 100 clients' increased by over **15% 7%** year-over-year as we saw record **last twelve months** new business and increasing interest in both specific Brand capabilities as well as cross-Brand, integrated solutions that address multi-discipline client needs.

Stagwell's Brands have written contracts with many of their clients. As is customary in the industry, these contracts generally provide for termination by either party on relatively short notice. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Executive **Overview**" **Summary**" for a further discussion of Stagwell's arrangements with its clients.

Sources of Revenue

Stagwell provides a broad range of services to a large base of clients across a wide spectrum of verticals globally. Stagwell has historically been largely focused in North America where the Company was founded, as well as the United Kingdom, but has expanded its global footprint to support clients globally and has a presence in more than 34 countries, and an additional more than 30 countries through our Global Affiliate Network, in each case as of **December 31, 2022** **December 31, 2023**. The primary source of revenue is from agency arrangements in the form of fees for services performed, commissions, and from performance incentives or bonuses. Stagwell's Brands have written contracts with

many of their clients. As is customary in the industry, these contracts generally provide for termination by either party on relatively short notice. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Executive Overview" for a further discussion of Stagwell's arrangements with its clients.

Seasonality

Historically, we have typically generated the highest quarterly revenue during the fourth quarter in each year due to consumer marketing increases from the back-to-school and holiday seasons. In addition, we have typically seen an increase in revenue in the third and fourth quarters during even years because our advocacy business has higher revenue during the biannual U.S. election cycle.

Human Capital

As of December 31, 2022 December 31, 2023, we employed approximately 11,100 10,250 full-time employees and approximately 1,050 contractors 2,750 contractors and part-time employees. The following table provides a breakdown of the approximate number of full-time employees and contractors across Stagwell's three reportable segments, the All Other category, and Corporate:

Segment	Total
Integrated Agencies Network	5,800 4,440
Brand Performance Network	4,650 4,260
Communications Network	1,100 930
All Other	300 260
Corporate	300 360
Total	12,150 10,250

Because of the personal service nature of the marketing and communications business, our talent is of critical importance significance to our success. Human capital management strategies are developed by senior management, including the management teams of our Brands, and are overseen at the corporate level.

Our human capital management priorities include providing competitive benefits & compensation, attracting and retaining talent, supporting learning & development across the network, promoting Diversity & Inclusion, increasing employee engagement, and ensuring workplace safety. At the corporate level, centralized human capital management processes include the development of human resources governance and policy, executive compensation for senior leaders, benefits programs, and succession planning focusing on the performance, development and retention of key senior executives.

Benefits & Compensation

Stagwell provides a full range of competitive benefits including medical, dental, vision, employer-funded HSAs, health savings accounts, commuter assistance, 401k, 401 (k) plans, employee stock programs and more. Health benefits are offered to full-time employees and their dependents, inclusive of domestic and/or same-sex partners. We offer flexible paid time off as well as accommodation for civic duties,

bereavement, and leaves of absence. Stagwell participates in industry-wide salary surveys and utilizes AI-powered compensation software to obtain real-time compensation survey data and analytics and ensure all support data-driven compensation decisions are data-driven. decisions. In addition, we have various stock ownership programs for eligible Stagwell employees.

Attracting & Retaining Talent

Hiring and retaining transformative talent is key to Stagwell's mission. We supplement agency-led recruiting with central recruiting support. Leveraging our scale, we have developed a broad database of global talent that further enhances our recruiting activities. In addition to utilizing central resources and technology, Brand-level recruiting activities include partnerships with colleges/universities, internship programs, referral programs and diversity, equity and inclusion specific pipelining programs. Stagwell's internal transfer policy and career portal on our intranet, The Hive, also enables employees to explore new positions with other Brands at the Company to support retention of talent within the broader network.

We have regular learning and talent events so employees across our network can feel connected to the broader portfolio of Stagwell companies and enhance collaboration.

Learning & Development

At the corporate level, Stagwell invests in both our senior leadership and up-and-coming leaders through a professional development partnership with a globally recognized leadership development organization. The program is designed to align individual growth with organizational strategy to help achieve success across both. Furthermore, Stagwell provides eligible employees with an annual, flexible professional development budget to utilize if they want to explore more opportunities within their field, acquire new skills, and enhance their contributions to their department and the organization. In addition, each Brand maintains its own policies and development programs suitable to address to its workforce and leadership goals. Stagwell has also launched Next Dimension, an intensive experiential learning opportunity to cultivate global client leaders who are transformative partners to our clients. We expect to welcome the program's second cohort in 2024.

Diversity & Inclusion

We believe the cultures of Stagwell's individual Brands are contribute to what sets working at Stagwell apart; however, the connective tissue that we believe unites us is our vision for our Brands and people to work collaboratively across disciplines in an inclusive environment.

Stagwell supports its Brands through access to high-quality education, resources and technology, which they can use to bring inclusion an approach to inclusive organizational design to life based on their organization's needs. In addition to providing annual harassment prevention and ethics training globally, we actively collect data modeled after equal

employment opportunity classifications with the goal of ensuring our employee demographics better reflect the diversity of the communities in which our workforce operates and is hired from and to identify areas for improvement through corporate engagement and initiatives. In addition, Stagwell aims to continue to grow successful partnerships with diverse vendors, suppliers, contractors, and consultants.

We believe **doubling down on creating promoting** an inclusive environment, from building internal and external partnerships, fostering the collaboration amongst our Brands, to trying out ideas and programs from our teams and Brands, will **support our ability to** attract and retain a diverse workforce and that the diversity of thought creates impact for our clients globally.

Employee Engagement

Regular communication is a **commitment focus** at Stagwell. We have quarterly global Town Halls to ensure staff are engaged with and organizational goals are shared. And with in-person events returning in earnest, our Brand and Talent teams collaborate to host a variety of experiential, wellness, and professional development/thought leadership programs at our New York City "HUB" locations at the World Trade Center and in other offices around the world. Our global CEO sends out regular emails to all staff with key updates ranging from new business wins to client work. In addition, the Hive intranet serves as a resource portal for all Stagwell employees. We additionally maintain several global communities organized around discrete disciplines ("Technology," "Growth," "Communications," etc.) to foster collaboration and **engagement with the center of the company, engagement.**

Significant Factors Affecting our Business and Results of Operations

The most significant factors affecting our business and results of operations include national, regional, and local economic conditions, our clients' profitability **and marketing budgets**, mergers and acquisitions of our clients, changes in top management of our clients and our ability to retain and attract key employees. New business wins and client losses occur due to a variety of factors. We believe the two most significant factors are (i) our clients' desire to change marketing communication firms and (ii) the digital and data-driven products **and services** that our Brands offer. A client may choose to change marketing communication firms for several reasons, such as a change in leadership where new management wants to retain a firm that it may have previously worked with. In addition, if the client is merged or acquired by another company, the marketing communication firm is often changed. Clients also change firms as a result of the firm's failure to meet marketing performance targets or other expectations in client service delivery.

Regulatory Environment

The marketing and communications services that our Brands provide are subject to laws and regulations in all of the jurisdictions in which we operate. These include laws and regulations that affect the form and content of marketing and communications activities that we produce for our clients and, for our digital services, laws and regulations concerning user privacy, use of personal information, data protection and online tracking technologies. We are also subject to laws and regulations that govern whether and how we can receive, transfer or process data that we use in our operations, including data shared between countries in which we operate. Our international operations are also subject to broad anti-corruption laws. While these laws and regulations could impact our operations, we believe compliance in the normal course of the Company's business has not significantly impacted the services we provide or had a material effect on our business, results of operations or financial position. Additional information regarding the impact of laws and regulations on our business is included in Item 1A. Risk Factors.

Available Information

Stagwell Inc.'s **Internet** website address is www.stagwellglobal.com. The Company's Annual Reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to the Exchange Act, will be made available free of charge through the Company's **investor relations website** (www.stagwellglobal.com/investors) as soon as reasonably practical after those reports are electronically filed with, or furnished to, the SEC. The Company announces material information to the public through a variety of means, including filings with the SEC, press releases, public conference calls, and its website. The Company uses these channels, as well as social media, including its Twitter account (@stagwell) and its LinkedIn page (<https://www.linkedin.com/company/stagwell/>), to communicate with investors and the public about the Company, its products and services, and other matters. Therefore, investors, the media, and others interested in the Company are encouraged to review the information the Company makes public in these locations, as such information could be deemed to be material information. The information found on, or otherwise accessible through, the Company's website **and social media channels** is not incorporated into, and does not form a part of, this Form 10-K, and the inclusion of the Company's website address and social media channels are inactive textual references only.

Item 1A. Risk Factors

You should carefully consider the risk factors set forth below, as well as the other information contained in this Form 10-K, including our **consolidated financial statements Audited Consolidated Financial Statements** and related notes. This Form 10-K contains forward-looking statements that involve risks and uncertainties. Any of the following risks could materially and adversely affect our business, results of operations, financial condition, cash flows, projected results and future prospects. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, results of operations, financial condition, cash flows, projected results and future prospects. These risks are not exclusive and additional risks to which we are subject include the factors listed under "Note About Forward-Looking Statements" and the risks **described discussed** in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-K.

Risk Factor Summary

Some of the factors that could materially and adversely affect our business, financial condition, results of operations and cash flows include, but are not limited to, the following:

- as a marketing services company, our revenues are highly susceptible to declines as a result of unfavorable economic conditions and future economic conditions could adversely impact our financial condition and results;
- our business depends on generating and maintaining ongoing, profitable client demand for our services and solutions, and a significant reduction in such demand could materially affect our results of operations;
- our business could be adversely affected if we fail to retain our existing clients;
- we face significant competition, and a failure to compete successfully in the markets we serve could harm our business;

- maintaining and enhancing our and our Brands' brands and **reputation reputations** is critical to our business prospects, and harm to our or our Brands' brands and reputations may limit our ability to acquire new clients, retain existing clients and attract and retain qualified personnel;
 - our existing client relationships could impair our ability to generate new business or attract and retain qualified personnel;**
 - if we are unable to adapt and expand our services and solutions in response to ongoing changes in technology and offerings by new entrants, our results of operations and ability to grow could be impaired;**
 - if we do not successfully manage and develop our relationships with our Global Affiliate partners or if we fail to anticipate and establish new alliances in new technologies, our results of operations could be adversely affected;
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- we are making investments in new product offerings and technologies and may increase such investments in the future. These new ventures are inherently risky, and we may never realize any expected benefits from them;
 - we are subject to risks related to our use of AI, including generative AI;**
 - as a global business, we are substantially dependent on operations outside the United States, and any failure to manage the risks presented by our international operations could have a material adverse effect on our business, results of operations, financial condition and prospects;
 - we are exposed to the risk of client defaults, and in an economic downturn, the risk of a material loss related to such client defaults could significantly increase;
 - if we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of customer service, or adequately address competitive challenges;
 - natural disasters, terrorist attacks, war, civil disturbances and infrastructure breakdowns could disrupt our business and harm our results of operations;
 - we are consolidating our real estate footprint and may incur significant costs in doing so;**
 - seasonal fluctuations in marketing, research, communications and advertising activity could have a negative impact on our revenue, cash flow and operating results;**
 - we may not realize the benefits we expect from past and future acquisitions and other strategic transactions, including the Transactions;**
 - we have allocated significant management time and resources to, and expect to incur non-recurring costs for, our ongoing integration efforts in connection with the Transactions;**
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- in the future, we may acquire other companies in pursuit of growth, which may divert our management's attention, result in dilution to our **shareholders stockholders** and consume resources that are necessary to sustain our business;
 - our business is highly dependent on the services of Mark Penn, our CEO and Chairman;
 - if we are unable to keep our supply of skills and resources in balance with client demand around the world and attract and retain professionals with strong leadership skills, our business, the utilization rate of our professionals and our results of operations may be materially adversely affected;
 - some of our Brands rely upon signatory service companies to employ union performers in commercials, and any inability to produce advertisements with union performers could impair our ability to serve our advertising clients and compete;
 - we face legal, reputational and financial risks from any failure to protect client data from security incidents or cyberattacks;
 - we are subject to extensive data privacy laws and regulations;
 - litigation, **investigations, or other** legal proceedings could expose us to significant liabilities and have a negative impact on our reputation or business;
 - we are subject to industry regulations and other legal or reputational risks that could restrict our activities or negatively impact our performance or financial condition;
 - we are subject to laws and regulations in the United States and other countries in which we operate, including export restrictions, economic sanctions, the FCPA, and similar anti-corruption laws. Compliance with these laws requires significant resources, and non-compliance may result in civil or criminal penalties and other remedial measures;
 - our business operations could suffer if we fail to adequately protect and enforce our intellectual property and other proprietary rights;
 - if we infringe, misappropriate or otherwise violate the intellectual property rights of third parties or are subject to an intellectual property infringement or misappropriation claim, our ability to grow our business may be severely limited and our business could be adversely affected;
 - our products and services use open source software, and any failure to comply with the terms of one or more applicable open source licenses could adversely affect our business, subject us to litigation, and create potential liability;
 - our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or in our industry, expose us to interest rate risk to the extent of our variable rate debt, and prevent us from meeting our obligations under our indebtedness;
 - we may be unable to service all our indebtedness;
 - we may need additional capital in the future, which may not be available to us. The raising of any additional capital may dilute holders' ownership percentage in our stock;
 - if our available liquidity is insufficient, our financial condition could be adversely affected and we may be unable to fund contingent deferred acquisition liabilities, and any put options if exercised;
 - our Up-C structure places significant limitations on our cash flow because our principal asset is our interest in OpCo, and, accordingly, we depend on distributions from OpCo to pay our taxes and expenses, including payments under the Tax Receivables Agreement;
 - our Tax Receivables Agreement with Stagwell Media requires us to make cash payments to Stagwell Media in respect of certain tax benefits to which we may become entitled, and we expect the payments we are required to make to be substantial, may be required to be made prior to the time that we recognize any associated tax benefits and may make our company a less attractive target to potential acquirers;
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- our results of operations are subject to **foreign currency exchange** fluctuation risks;
 - our goodwill, intangible assets and right-of-use **lease** assets may become impaired;

- material weaknesses in our internal control over financial reporting were identified as of **December 31 2021, and remain unremediated at December 31, 2022** **December 31, 2023**. If our remediation of these material weaknesses is not effective, or if we fail to maintain effective internal control over financial reporting in the future, we may not be able to accurately or timely report our financial results, which could adversely affect investor confidence in our company, our results of operation and our stock price;
 - our disclosure controls and procedures and internal controls may not prevent or detect all errors or acts of fraud;
 - if our judgments or estimates relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in our stock price;
 - we may be subject to adverse tax consequences, such as those related to changes in tax laws or tax rates or their interpretations, and the related application of judgment in determining our global provision for income taxes, deferred tax assets or liabilities or other tax;
 - we may face material adverse tax consequences resulting from the Transactions in Canada, the United States or other jurisdictions;
 - our stock price may be volatile;
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- if our operating and financial performance in any given period does not meet any guidance that we provide to the public, the market price for our Class A common stock, par value \$0.001 per share (the "Class A Common Stock"), may decline; **and**
 - a significant portion of our Class A Common Stock is restricted from immediate resale but may be sold into the market in the future, which could negatively affect the market price of our Class A Common **Stock**;
 - we are a "controlled company" within the meaning of the applicable rules of Nasdaq and, as a result, qualify for exemptions from certain corporate governance requirements. Our stockholders will not have the same protections afforded to stockholders of companies that are not controlled companies, and the interests of our controlling stockholder may differ from the interests of other stockholders;**
 - there is no guarantee that an active and liquid public market for our securities will be sustained;**
 - we do not intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of the Class A Common Stock;**
 - we may issue additional shares of our Class A Common Stock or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of your shares;**
 - some provisions of Delaware law and our certificate of incorporation and bylaws may deter third parties from acquiring us and diminish the value of our Class A Common Stock;**
 - our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by stockholders and designates the United States federal district courts as the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, which could limit the ability of our stockholders to obtain a favorable judicial forum for disputes with us or with our directors, officers or employees and may discourage stockholders from bringing such claims; and**
 - the requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members and officers. **Stock.****

Risks Related to Our Business and Industry

As a marketing services company, our revenues are highly susceptible to declines as a result of unfavorable economic conditions and future economic conditions could adversely impact our financial condition and results.

Advertising, marketing and communications expenditures are sensitive to global, national and regional macroeconomic conditions, including inflationary pressures, currency fluctuations, geopolitical uncertainty **increased and elevated** interest rates, as well as specific budgeting levels and buying patterns. Adverse developments such as inflation or heightened economic uncertainty **could can** reduce the demand for our services and pose a risk that clients may reduce, postpone or cancel spending on advertising, marketing and corporate communications projects. For example, inflation rates, particularly in the United States, have increased **recently to levels not seen in recent** years, and **the effects of increased inflation and other adverse conditions on our customers have resulted and may continue to** result in decreased demand for our products and services, **decreased revenue**, increases in our operating costs (including our labor costs), and decreased profitability, and may result in reduced liquidity and limits on our ability to access credit or otherwise raise capital. In **addition, the Federal Reserve has raised, and may again raise, interest rates in response** **cases of sustained inflation across several of our major markets, it becomes increasingly difficult to** concerns about inflation, which coupled with reduced government spending and volatility in financial markets **may have effectively control increases to our costs. If we are unable to increase our fees or take other actions to mitigate the effect of further increasing economic uncertainty the resulting higher costs, our business, results of operations and heightening these risks. financial position could be negatively impacted. In the past, addition,** some clients have responded to weakening economic conditions with reductions to their marketing budgets, which include discretionary components that are easier to reduce in the short term than other operating expenses. **For example, our revenue and profitability declined in 2023, in part as a result of certain clients pausing projects and reducing spending in the uncertain macroeconomic environment.** This pattern may recur in the future and could have a material adverse effect on our revenue, results of operations, cash flows and financial condition.

In addition, elevated interest rates have had and may continue to have the effect of further increasing economic uncertainty and heightening these risks, as well as increasing the cost of capital. Turmoil in the credit markets or a contraction in the availability of credit would make it more difficult for businesses to meet their capital requirements and could lead clients to change their financial relationship with their vendors, including us, which could negatively affect our working capital. In such circumstances, we may need to obtain additional financing to fund our day-to-day working capital requirements, which may not be available on favorable terms or at all, including as a result of **Federal Reserve elevated interest rate increases, rates.** Even if we take action to respond to adverse economic conditions, reductions in revenue and disruptions in the credit markets by aligning our cost structure and more efficiently managing our working capital, such actions may not be effective.

Our business depends on generating and maintaining ongoing, profitable client demand for our services and solutions, and a significant reduction in such demand could materially affect our results of operations.

Our revenue and profitability depend on the demand for our services and favorable margins, which **could have been and may continue to** be negatively affected by numerous factors, many of which are beyond our control and unrelated to our work product. To increase our revenues and achieve favorable margins, we will need to attract additional clients or generate demand for additional services and products from existing clients, and such demand will depend on factors including clients' and potential clients' requirements, pre-existing vendor relationships, financial condition, strategic plans, internal resources and satisfaction with our work product and services, as well as broader economic conditions, competition and the quality of our Brands' employees, services and reputation and the breadth of our services. As described above, volatile, negative or uncertain global economic and political conditions **can have** adversely **affect affected** client demand for our services and solutions. In addition, developments in the markets we serve, which may be rapid, could shift demand to services and solutions where we are less competitive, or might require significant investment by us to upgrade, enhance or expand our services and solutions to meet that demand. Companies in the markets we serve sometimes seek to achieve economies of scale and other synergies by combining with or acquiring other companies. If one of our current clients merges or consolidates with a company that relies on another provider for its marketing and related services, we may lose work from that client or lose the opportunity to gain additional work if we are not successful in generating new opportunities from the merger or consolidation. To the extent that we are unable **to** generate sufficient and profitable new business from new and existing clients, our ability to grow our business, increase our revenues and achieve favorable margins will be limited, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our business could be adversely affected if we fail to retain our existing clients.

Our clients may terminate or reduce the scope of their relationships with us on short notice. As a services business, our ability to attract and retain clients is an important aspect of our competitiveness, and client loss, including due to competitors, as a consequence of client consolidation, insolvency or a reduction in marketing budgets due to recessionary economic conditions,

or a shift in client spending could have a material adverse effect on our business, results of operations, financial condition and prospects. Many companies, including companies with which we have long-standing relationships, put their advertising and marketing communications business up for competitive review from time to time, and we have lost client accounts in the past as a result of such reviews. Our clients may choose to terminate their contracts, or reduce their relationships with us, on a relatively short time frame and for any reason, including as a result of such competitive reviews, external factors such as economic conditions or their own financial distress, competition from other marketing services providers or clients' dissatisfaction with our services, reputation or personnel. **For example, the loss of clients and reduced spending among existing clients contributed to the decline in our revenue in 2023.**

A relatively small number of clients contributes a significant portion of our revenue, which magnifies this risk. In the aggregate, our top ten clients based on revenue accounted for approximately **20% 22%** of our revenue for the year ended **December 31, 2022 December 31, 2023**, and historically, client concentration has increased during election years due to the cyclical nature of our advocacy Brands. A substantial decline in a large client's advertising and marketing spending, or the loss of a significant part of their business, could have a material adverse effect on our business, prospects, and results of operations.

In addition, many of our contracts are less than twelve months in duration, and often contain termination provisions requiring only limited notice. If a client is dissatisfied with our services and we are unable to effectively respond to its needs, the client might terminate existing contracts, or reduce or eliminate spending on the services and solutions we provide. Additionally, a client could choose not to retain our Brands for additional stages of a project, try to renegotiate the terms of its contract or cancel or delay additional planned work. When contracts are terminated or not renewed, we lose the anticipated revenues, and it may take significant time to replace the lost revenues or we may be unsuccessful in our attempt to recover such revenues. **Consequently, our results of operations in subsequent periods could be materially lower than expected.** The specific business or financial condition of a client, changes in management and changes in a client's strategy are also factors that can result in terminations, cancellations or delays, and in pressure to reduce costs.

A significant reduction in spending on our services by our largest clients, or the loss of several of our largest clients, could have a material and adverse effect on our business, results of operations and financial condition.

We face significant competition, and a failure to compete successfully in the markets we serve could harm our business.

The advertising and marketing services business is highly competitive and constantly changing. We compete on the basis of many factors, including the quality (and clients' perceptions of the quality) of our work, our ability to protect the confidentiality of clients' and their customers' data, our relationships with key client personnel, our expertise in particular niche areas or disciplines, **the differentiation of our offerings** and our ability to provide integrated services at the scale clients require. Our Brands compete with a diverse and growing set of marketing services firms and consultancies to maintain existing client relationships and to win new business. Our competitors include not only other large multinational advertising and marketing communications companies, but also smaller entities that operate in local or regional markets as well as new forms of market participants. We are smaller than many of our larger industry competitors, and an agency's ability to serve clients, particularly large international clients, on a broad geographic basis and across a range of services and technologies is an important competitive consideration. Our smaller size could impair our ability to compete for business, particularly with respect to significant business from large, global enterprises that require integrated global marketing solutions across geographies. We also compete with smaller advertising and marketing communications businesses, and because an agency's principal asset is often its people, barriers to entry are minimal, and relatively small brands are, on occasion, able to take all or some portion of a client's business from a larger competitor. We may also face greater competition due to consolidation of companies in our industry, including through strategic mergers or acquisitions. Consolidation activity may result in new competitors with greater scale, a broader footprint, or offerings that are more attractive than ours. This competition could have a negative effect on our ability to compete for new work and skilled professionals. Competitive challenges also arise from rapidly evolving and new technologies in the marketing and advertising space, which create opportunities for new and existing competitors and a need for continued significant investment in tools, technologies and process improvements. As data-driven marketing solutions become increasingly core to the success of our Brands, any failure to keep up with rapidly changing technologies and standards in this space could harm our competitive position.

In addition, our competitors may compete for client engagements by significantly discounting their services, whether as a short-term effort to win business, in exchange for a client's promise to purchase other goods and services from the competitor, either concurrently or in the future, or as a result of developing and implementing methodologies that result in superior productivity and price reductions without adversely affecting their profit margins. Price competition could force us to choose between lowering our prices (and suffering reduced operating margins) or losing a client's business. Any of these negative effects could significantly impair our results of operations and financial condition.

Our future financial performance is largely dependent upon our ability to compete successfully in the markets we serve. If we are unable to compete successfully, we could lose market share and clients to competitors or be forced to accept engagements with unfavorable economic terms, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Maintaining and enhancing our and our Brands' brands and reputations is critical to our business prospects, and harm to our or our Brands' brands and reputations may limit our ability to acquire new clients, retain existing clients and attract and retain qualified personnel.

We believe our and our Brands' brand names and reputations are important corporate assets that help distinguish our services from those of our competitors and also contribute to our efforts to recruit and retain talented employees. However, our Brands' corporate reputations are potentially susceptible to material damage by events such as disputes with clients, information technology security breaches or service outages, or other delivery failures. Similarly, our or our Brands' reputation could be damaged by actions or statements of current or former clients, employees, competitors or vendors, as well as members of the investment community and the media. Such negative attention could adversely affect our business, and damage to our reputations could be difficult and time-consuming to repair, could make potential or existing clients reluctant to select us for new engagements or cause existing clients to terminate their relationships with us, resulting in a loss of business, and could adversely affect our recruitment and employee retention efforts. Damage to our or our Brands' reputations could also reduce the value and effectiveness of the Stagwell brand name (or our Brands' brand names) and could reduce investor confidence in us, which could have a material adverse effect on the trading price of our Class A Common Stock.

Our existing client relationships could impair our ability to generate new business or attract and retain qualified personnel.

As a marketing services company, we are susceptible to risks related to the clients we serve. Our ability to acquire new clients and retain existing clients is limited by clients' perceptions of, or policies concerning, conflicts of interest arising from our other client relationships. For example, some companies maintain conflicts of interest policies that prohibit engaging marketing services firms that work with their competitors, and in some circumstances such policies have caused, and may in the future cause, our Brands to lose opportunities with potential clients or to lose existing clients. In addition, such policies may apply not just to a particular Brand but to an entire marketing services group. If we are unable to maintain multiple Brands to manage multiple client relationships and avoid potential conflicts of interests, our business, results of operations, financial condition and prospects may be adversely affected.

In addition, we are subject to reputational risks relating to the clients we serve. In some cases, our Brands may provide services to clients that are subject to significant controversy and negative press coverage and commentary, including controversy over which we have no control and which may arise at any time. As a service provider to such clients, we may receive negative attention focused on such client relationships, which could damage our or our Brands' reputation. Our association with controversial clients and related reputational harm could also impair our ability to attract new clients or retain existing clients and could also harm our ability to attract and retain qualified personnel. Any of these consequences could have a material adverse effect on our business, results of operations, financial condition and prospects.

If we are unable to adapt and expand our services and solutions in response to ongoing changes in technology and offerings by new entrants, our results of operations and ability to grow could be impaired.

Our success depends in part upon our ability to continue to develop and implement services and solutions that anticipate and respond to rapid and continuing changes in marketing technology, consumer habits and industry developments, as well as offerings by new entrants, to serve the evolving needs of our clients. Current areas of significant change include search engine optimization, bots, search engine marketing, social media and influencer and affiliate marketing, email marketing, AR and VR applications, customer relationship and programmatic advertising, which involve the use of mobility-based software platforms, cloud computing, SaaS, and DaaS solutions, AI and generative AI content creation tools, machine learning and the processing and analyzing of large amounts of data. Technological developments such as these may materially affect the cost and use of technology by our clients and demand for our services, and if we do not sufficiently invest in new technology and industry developments, or if we do not make the right strategic investments to respond to these developments and successfully drive innovation, our services and solutions, our ability to generate demand for our services, and to attract and retain clients, and our ability to develop and achieve a competitive advantage and continue to grow growth could be negatively affected.

In addition, we operate in a quickly evolving environment in which there currently are, and we expect will continue to be, numerous new technology entrants. New services or technologies offered by competitors or new entrants may make our offerings, such as the Stagwell Marketing Cloud and other DaaS and SaaS martech products, less differentiated or less competitive, when compared to other alternatives, which may adversely affect our ability to attract and retain clients. Any of these consequences could have a material adverse effect on our business, results of operations, financial condition and prospects.

If we do not successfully manage and develop our relationships with our Global Affiliate partners or if we fail to anticipate and establish new alliances in new technologies, our results of operations could be adversely affected.

Our growth strategy has included partnering with independent marketing services agencies, which we refer to as Global Affiliates, in certain jurisdictions, rather than operating in those markets independently. A portion of our revenue is derived from client engagements that involve services by our Global Affiliates, and we believe our Global Affiliates program is a critical

significant element of our strategy to compete with large incumbent marketing services companies and provide scaled global marketing services to our clients. If we are unable to maintain our relationships with current Global Affiliates partners and identify new and emerging partners to expand our Global Affiliates network of alliance partners, we may not be able to provide the kinds of scaled global services that we believe clients require or compete effectively in the market. Our strategy of leveraging our Global Affiliates partners could fail, and the business that we conduct through such partnerships could decrease or fail to grow, for a variety of reasons, including operational difficulties and cultural differences that impair our ability to leverage such partnerships effectively, lack of control over Global Affiliates' work product and services or clients' unwillingness to entrust their marketing efforts to numerous entities that are not part of the same marketing group.

In addition, our Global Affiliates partnerships involve significant risks that are outside of our control. We are not represented on the management teams, boards of directors or other governing bodies of our Global Affiliates, and therefore do not participate in the day-to-day management of such entities. Because we do not control our Global Affiliates, they may take actions with which we or our clients disagree, which could expose us to reputational damage or which could impair our ability to attract and retain clients and generate demand for our services and solutions. Moreover, our Global Affiliates may not be subject to or follow the same requirements regarding compliance, internal controls and internal control over financial reporting that we follow, as us and may not adhere to their contractual representations to us regarding such matter. To the extent control or compliance issues arise within the Global Affiliate partners' business, it businesses, such issues could lead to further reputational and operational damage to our business. Additionally, our Global Affiliates are generally not prohibited from competing with us or forming closer or preferred arrangements with our competitors and may expand their own offerings and geographic presence, which could lead them to compete with us in various markets around the world. Our business, financial condition, results of operations and prospects could be adversely affected by such competition.

If we do not obtain the expected benefits from our Global Affiliates program for any reason, we may be less competitive, and our ability to offer attractive solutions to our clients may be negatively affected, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are making investments in new product offerings and technologies and may increase such investments in the future. These new ventures are inherently risky, and we may never realize any expected benefits from them.

We have made investments to develop new marketing services products and technologies, including the Stagwell Marketing Cloud and other marketing data, campaign martech, AR and VR applications, and AI and generative AI offerings, and we intend to continue investing significant resources in developing and/or acquiring new technologies, tools, features, services, products and offerings. If we do not spend our development budget efficiently or effectively on commercially successful and innovative technologies, or if we encounter significant technical or other challenges with respect to the development of our anticipated product offerings, we may not realize the expected benefits of our strategy. Our new initiatives also have a high degree of risk, as each involves development of new software platforms or other product offerings, unproven business strategies and technologies with which we may have limited prior development or operating experience. Because such offerings and technologies are new, they may involve additional claims and liabilities (including, but not limited to, intellectual property claims), expenses, regulatory challenges, and other risks that we do not currently anticipate.

There can be no assurance that client demand for new products, including the Stagwell Marketing Cloud and other marketing data, campaign martech, AR and VR martech applications, and AI and generative AI offerings, will exist or be sustained at the levels that we anticipate, or that any of these initiatives will gain sufficient traction or market acceptance to generate sufficient revenue to offset any new expenses or liabilities associated with these new investments. It is also possible that products and offerings developed by others will render our products and offerings noncompetitive or obsolete. Further, our development efforts with respect to new products, offerings and technologies could distract management from current operations, and will divert capital and other resources from our more established products, offerings and technologies. Even if we are successful in developing new products, offerings or technologies, regulatory authorities such developments may be subject us to new or existing rules or restrictions in response to our innovations that could increase our expenses or prevent us from successfully commercializing new products, offerings or technologies. If we do not realize the expected benefits of our investments, our business, financial condition, results of operations and prospects may be harmed.

We are subject to risks related to our use of AI, including generative AI.

We are increasingly building generative AI features into some of our offerings, such as generative AI content creation tools, and are making investments in expanding our generative AI capabilities. As part of this process, we also utilize generative AI tools offered by third-party providers in the development and testing of our offerings. Generative AI is a new and emerging technology in its early stages of commercial use and presents certain inherent risks. Generative AI algorithms are based on machine learning and predictive analytics, which can create unintended biases and discriminatory outcomes, and outputs can be completely fabricated or false. There is a risk that our algorithms could produce such outcomes or other unexpected results or behaviors that could harm our reputation, business, or clients.

In addition, the use of AI and generative AI involves significant technical complexity and requires specialized expertise. Any disruption or failure in our AI and generative AI offerings, or those of our third-party providers, could result in delays or errors in our operations, which could harm our business and financial results. The use of generative AI tools could also result in a greater likelihood of cybersecurity incidents, privacy violations and inadvertent disclosures of our intellectual property or other confidential information, any of which could directly or indirectly harm our business, operations and reputation.

The AI regulatory landscape is still uncertain and evolving, and the development and use of AI technologies, including generative AI, in new or existing content creation tools and other offerings may result in new or enhanced governmental or regulatory scrutiny, litigation, ethical concerns or other complications that could be costly and time-consuming and could adversely affect our business, reputation or financial results. For example, some jurisdictions are currently considering AI specific laws and regulations. Such laws and regulations, if enacted, could increase our compliance costs or require us to limit or modify our use of AI or our AI-enabled offerings in certain jurisdictions. In addition, the intellectual property ownership and license rights, including copyrights, surrounding AI technologies, including generative AI, have not been fully addressed by U.S. courts or other federal, state or international laws or regulations, and the use or adoption of third-party generative AI technologies into our offerings may result in exposure to claims of copyright infringement or other intellectual property misappropriation, which could harm our business, reputation and financial results.

As a global business, we are substantially dependent on operations outside the United States, and any failure to manage the risks presented by our international operations could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are a global business, with Brands operating in more than 34 countries as of December 31, 2022 December 31, 2023. Operations outside the United States represent a significant portion of our revenues and represented approximately 17% 19% of our revenues in 2022, 2023. The operational and financial performance of our international businesses are affected by global and regional economic conditions, competition for new business and staff, political conditions, differing regulatory environments and other issues associated with extensive international operations. Conducting our business internationally, particularly in developing markets in which we have limited experience, subjects us to risks that we do not face to the same degree in the United States. These risks include, among others:

- operational and compliance challenges caused by distance, language, and cultural differences, including, in some markets, longer billing collection cycles;
- the resources required to adapt our operations to local practices, laws, and regulations and any changes in such practices, laws, and regulations;

- laws and regulations that may be more restrictive than those in the United States, including commercial laws that can be undeveloped, vague, inconsistently enforced, retroactively applied or frequently changed, laws governing competition, pricing, payment methods, Internet activities, real estate tenancy laws, tax and social security laws, employment and labor laws, email messaging, privacy, location services, collection, use, processing, or sharing of personal information, data, ownership of intellectual property, and other activities important to our business;
 - competition with companies or other services that understand local markets better than we do or that have pre-existing relationships with potential clients in those markets;
 - differing levels of social acceptance of our brand, products, and offerings;
 - differing levels of local demand for our digital marketing services or the prevalence of e-commerce;
 - exposure to business cultures in which improper business practices may be prevalent;
 - difficulties in managing, growing, and staffing international operations, including in countries in which foreign employees may become part of labor unions, employee representative bodies, or collective bargaining agreements, and challenges relating to work stoppages or slowdowns;
 - fluctuations in currency exchange rates;
 - inflation and actions taken by central banks to counter inflation;
 - adverse tax consequences, including the complexities of foreign value added tax systems, and restrictions on the repatriation of earnings;
 - increased financial accounting and reporting burdens, and complexities associated with implementing and maintaining adequate internal controls;
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- difficulties in implementing and maintaining the financial systems and processes needed to enable compliance across multiple jurisdictions;
 - import and export restrictions, changes in trade regulation and economic sanctions compliance;
 - public health concerns or emergencies, such as pandemics the COVID-19 pandemic or other outbreaks of communicable disease, which have occurred in parts of the world in which we operate;
 - war, geopolitical tensions and other political, social, and economic instability abroad, terrorist attacks and security concerns; concerns, such as escalating tensions in the Taiwan Strait and the ongoing conflicts between Russia and Ukraine and in Israel and Gaza; and
 - reduced or varied protection for intellectual property rights in some markets.

These risks could adversely affect our international operations, which could in turn adversely affect our business, financial condition, results of operations and prospects. In addition, in developing countries or regions, we may face further risks, such as slower receipt of payments, nationalization, social and economic instability, currency repatriation restrictions and undeveloped or inconsistently enforced commercial laws. For example, we have exited our operations in Russia. However, despite our efforts taken to ensure compliance with applicable law, in addition, it is difficult to anticipate the effect sanctions and other laws and regulations may have on us, and compliance with any sanctions imposed or actions taken by the United States or other countries, as well as the effect of current or further economic sanctions (and any retaliatory responses thereto) may have an adverse effect on our operations. These risks may limit our ability to grow our business and effectively manage our operations in the countries that are affected.

We are exposed to the risk of client defaults, and in an economic downturn, the risk of a material loss related to such client defaults could significantly increase.

Certain of our Brands often enter into contractual commitments with media providers and production companies and incur expenses on behalf of our clients for productions and in order to secure a variety of media time and space, in exchange for which they receive a fee. The difference between the gross production costs and media purchases and the revenue earned by us can be significant, and primarily affects our levels of accounts receivable, expenditures billable to clients, accounts payable and accrued liabilities.

While we take precautions against default on payment for these services (such as credit analysis, advance billing of clients, purchasing credit insurance and in some cases acting as an agent for a disclosed principal), such precautions may fail to mitigate our exposure to clients' credit risk, and we may experience significant uncollectible receivables from our clients. In addition, in periods of severe economic downturn, our methods of managing the risk of payment default may be less available or unavailable and the risk of a material loss could significantly increase. Such a loss could have a material adverse effect on our results of operations, cash flows and financial condition.

Recovery of client financing and timely collection of client balances also depends upon our ability to complete our contractual commitments and bill and collect our contracted revenues. We are generally paid in arrears for our services, and if we are unable to meet our contractual requirements, we may experience delays in collection of and/or be unable to collect our client balances, and if this occurs, our results of operations and cash flows could be adversely affected.

If we are unable to collect our receivables or unbilled services, our business, results of operations, financial condition and cash flows could be materially and adversely affected.

If we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of customer service, or adequately address competitive challenges.

We have experienced significant growth and revenue declines in recent periods, including as a result of the Transactions, and we intend to continue to expand our business in the future. This growth has These fluctuations have placed, and any future growth may continue to place, a significant strain on our management, operational and financial infrastructure. Our In order to support future growth, our management will also be required to maintain and expand our relationships with clients, Global Affiliates partners and other third parties and attract new clients, as well as to manage multiple geographic locations.

In addition, our current and planned operations, personnel, systems and procedures might be inadequate to support our future growth and may require us to make additional unanticipated investment investments in our infrastructure, including additional costs for the expansion of our employee base and our global operations and partnerships as well as marketing and branding costs. Our success and ability to further scale our business will depend, in part, on our ability to manage these changes in a cost-effective and efficient manner. If we cannot manage our planned growth, we may be unable to take advantage of market opportunities, execute our business strategies or respond to competitive pressures. This could also result in declines in quality or customer satisfaction, increased costs, difficulties in introducing new marketing services or product offerings or other operational difficulties. Any failure to effectively manage growth could adversely affect our business and reputation.

Natural disasters, terrorist attacks, war, civil disturbances and infrastructure breakdowns could disrupt our business and harm our results of operations.

Our corporate headquarters is located in New York City, which has experienced terrorist attacks, civil disturbance, natural disasters and extreme weather events including hurricanes, floods and fires, and critical resources shortages and infrastructure

disruptions, such as localized extended outages of critical utilities or transportation systems. If any such natural disaster or other disturbance or interruption, such as terrorist attacks or war, were to occur, such event could prevent us from using all or a significant portion of our headquarters or other facilities, damaged critical infrastructure or otherwise disrupt our operations, which could make it difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time and could require us to make capital expenditures even though we may not have sufficient available resources at such time. Additionally, the proceeds available from our insurance policies may be insufficient to cover any such capital expenditures or other related costs, and our insurance coverage and available resources may not be adequate to cover our losses in any particular case. Any of these occurrences could significantly disrupt our and our Brands' ability to deliver solutions and services and operate our and their businesses and could, in consequence, have a material adverse effect on our business, results of operations and financial condition.

In addition, our key technology systems may also be damaged or disrupted as a result of technical disruptions such as electricity or infrastructure breakdowns, including damage to telecommunications cables, computer glitches, power failures and electronic viruses or human-caused events such as protests, riots, labor unrest, terrorist attacks, war and private or state-sponsored cyberattacks. Such events, or any natural or weather-related disaster, could lead to the disruption of information systems and telecommunication services for sustained periods. Any significant failure, damage or destruction of our equipment or systems, or any major disruptions to basic infrastructure such as power and telecommunications systems in the areas in which we operate, could impede our ability to provide solutions to our clients and thus adversely affect their businesses, have a negative impact on our reputation and may cause us to incur substantial additional expenses to repair or replace damaged equipment, internet server connections or information technology systems. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our clients, our ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or sites. Even if our operations are unaffected or recover quickly from any such events, if our clients cannot timely resume their own operations due to a catastrophic event, they may reduce or cancel their use of our services and products, which may adversely affect our results of operations. Any of these events, their consequences or the costs related to mitigation or remediation could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our insurance coverage may not be sufficient to guarantee costs of repairing the damage caused by such disruptive events and such events may not be covered under our policies. Prolonged disruption of our services and solutions, even if due to events beyond our control, could also entitle our clients to terminate their contracts with us or result in other brand and reputational damages, which would have a material adverse effect on our business, results of operations, financial condition and prospects.

We are consolidating our real estate footprint and may incur significant costs in doing so.

In 2020, we consolidated We have continued to consolidate the real estate occupancy of our advertising and marketing agencies in New York City, in order to lower our leasing costs and improve collaboration among our Brands. In connection with this consolidation, many of our properties have been or will be expected to be subleased or abandoned, and we are exploring opportunities for real estate consolidation in other markets. abandoned. We may not be able to sublease the vacated office spaces on expected terms or at all. If we fail to sublet the leased offices we vacate on the terms we anticipate, we may be required to pay additional rent or may become involved in costly litigation with our commercial landlords, and we may incur additional charges related to the sublease or abandonment of our leases, any of which consequences could have a material adverse effect on our cash flows, financial condition and results of operations.

Seasonal fluctuations in marketing, research, communications and advertising activity could have a negative impact on our revenue, cash flow and operating results.

Our revenue, cash flow, operating results and other key operating and performance metrics vary from quarter to quarter due to the seasonal nature of our clients' spending on the services we provide. For example, clients tend to devote more of their advertising budgets to the fourth calendar quarter to coincide with consumer holiday spending, and we typically generate our highest quarterly revenue during the fourth quarter in each year. Political advertising and related activity have also historically caused our revenue to increase during election cycles, which is most pronounced in even years, in particular during the third and fourth quarters of such years, and to decrease during other periods. If our growth rate declines or seasonal spending becomes more pronounced, seasonality Seasonality could have a more significant impact on our revenue, cash flow and operating results from period to period. period as a result of declines in our growth rate or if seasonal spending becomes more pronounced.

Risks Related to Strategic Transactions

We may not realize the benefits we expect from past and future acquisitions and other strategic transactions, including the Transactions.

We may be unable to realize the benefits we expect from our past and future acquisitions and other strategic transactions, including the Transactions, and other recent acquisitions, such as Brand New Galaxy, TMA Direct, Inc., Maru Group Limited, Wolfgang, LLC., and Epicenter Experience LLC., for a variety of reasons, including due to our failure to effectively integrate newly acquired businesses into our operations, because of errors in our forecasting or for numerous other reasons, including factors that we do not control, such as the reactions of existing and potential clients, employees, regulators investors and investors. regulators.

Our ongoing integration efforts following the Transactions are subject to significant risks and uncertainties, including with respect to our ability to realize our anticipated synergies and cost savings, our ability to retain and attract executives, employees

and clients, the diversion of management's attention from other business concerns, and undisclosed, unknown or potential legal liabilities of the acquired company, companies. Our failure to address these risks or other problems encountered in connection with the Transactions and any past or future acquisitions and other strategic transactions could cause us to fail to realize their anticipated benefits, incur unanticipated liabilities and harm our business generally.

Even if we are able to integrate complete the combined integration of acquired businesses successfully, this integration may not result in the realization of the full benefits of the growth and other opportunities, or the synergies and cost savings, that we currently expect from the Transactions within the anticipated time frame, or at all. Furthermore, the

anticipated benefits or value of our acquisitions and other strategic transactions, including the Transactions, may not be achievable, particularly as the achievement of the benefits are in many important respects subject to factors that we do not and cannot control, including the reaction of third parties with whom we do business and the reactions of investors. As a result of the Transactions, we have significantly more revenue, expenses, assets and employees than prior to the Transactions, and we assumed certain liabilities and other obligations of the pre-merger entities. The Company may not successfully or cost-effectively integrate the combined businesses.

We have allocated significant management time and resources to, and expect to incur non-recurring costs for, our ongoing integration efforts in connection with the Transactions.

We and our management have allocated and continue to allocate time and resources to our ongoing integration efforts following the Transactions, including related and incidental activities. Integration of the legacy SMG and MDC businesses has been and is expected to continue to be complex, costly and time-consuming, requires significant management attention and resources, may disrupt our business, and may ultimately be unsuccessful. Risks and difficulties of integration include, among others, the diversion of management attention to integration matters, increased difficulty retaining existing clients and obtaining new customers, difficulties attracting and retaining employees and the added strain on our executives of managing the expanded operations of a significantly larger company, any of which could adversely impact the effectiveness of our management team, the effectiveness of our integration efforts and the future performance of our combined company, which could harm our business, prospects, results of operations and financial condition.

In addition, we have incurred or expect to incur a number of non-recurring costs associated with our integration efforts, including costs associated with our pursuit of synergies and cost efficiencies following the Transactions. While we expect the benefits of such efforts to offset these costs over time, this net benefit may not be achieved in the short term or at all, and the actual costs we incur in connection with our integration efforts could exceed our estimates. These combined factors could adversely affect our business, results of operations and financial condition.

In the future, we may acquire other companies in pursuit of growth, which may divert our management's attention, result in dilution to our shareholders stockholders and consume resources that are necessary to sustain our business.

Our business strategy includes engaging in strategic mergers, acquisitions and investments to bolster our capabilities or expand our reach in particular areas. Through the acquisitions we pursue, we may seek opportunities to add to or enhance the services and solutions we provide, to enter new industries or expand our client base, or to strengthen our global presence and scale of operations. Negotiating these transactions can be time consuming, difficult and expensive, and our ability to complete these transactions may be subject to conditions or approvals that are beyond our control, including anti-takeover and antitrust laws in various jurisdictions. Consequently, these transactions, even if undertaken and announced, may not close. An acquisition, investment or new business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, services, products, personnel or operations of acquired companies, particularly if the key personnel of the acquired company choose not to work for us, the acquired company's technology is not easily compatible with ours or we have difficulty retaining the clients of any acquired business due to changes in management or otherwise. In addition, we may not accurately forecast the financial impact of an acquisition transaction, including accounting charges.

Mergers or acquisitions may also disrupt our business, divert our resources and require significant management attention that would otherwise be available for the development of our business. Moreover, the anticipated benefits of any merger, acquisition, investment or similar partnership may not be realized or we may be exposed to unknown liabilities, including litigation against the companies we may acquire, for example from failure to identify all of the significant risks or liabilities associated with the target business. For one or more of those transactions, we may:

- issue additional equity securities that would dilute our stockholders;
- use cash that we may need in the future to operate our business;
- incur debt that may place burdensome restrictions on our operations or cash flows;
- incur large charges or substantial liabilities; or
- become subject to adverse tax consequences, substantial depreciation or amortization expenses, impairment of goodwill and/or purchased long-lived assets, restructuring charges, deferred compensation or other acquisition-related accounting charges.

Any of these risks could materially and adversely affect our business, financial condition, results of operations and prospects.

Risks Related to Our Employees and Human Resources

Our business is highly dependent on the services of Mark Penn, our CEO and Chairman.

We depend on the continued services and performance of our key personnel, including our CEO and Chairman, Mark Penn. Although we have entered into an employment agreement with Mr. Penn, the agreement has no specific duration and constitutes at-will employment. The loss of key personnel, including Mr. Penn, could disrupt our operations and have an adverse effect on our business.

If we are unable to keep our supply of skills and resources in balance with client demand around the world and attract and retain professionals with strong leadership skills, our business, the utilization rate of our professionals and our results of operations may be materially adversely affected.

Employees, including creative, research and data acquisition, analytics and data science, media, technology development, content development, account and practice group specialists, and their skills and relationships with clients, are among our most important assets. Our success is dependent, in large part, on our ability to keep our supply of marketing services skills and capabilities in balance with client demand around the world and our ability to attract and retain personnel with the knowledge and skills to lead our business globally. We must hire or reskill, retain and motivate appropriate numbers of talented people with diverse skills in order to serve clients across the globe, respond quickly to rapid and ongoing changes in demand, technology, industry and the macroeconomic environment, and continuously innovate to grow our business. For example, if we are unable to hire or retrain our employees to keep pace with the rapid and continuous changes in technology and the industries we serve, we may not be able to innovate and deliver new services and solutions to fulfill client demand. There is competition for scarce talent with market-leading skills and capabilities in new technologies, and our competitors have directly targeted our employees with these highly sought-after skills and will likely continue to do so. As a result, we may be unable to cost-effectively hire and retain employees with these market-leading skills, which may cause us to incur increased costs, or be unable to fulfill client demand for our services and solutions.

We are particularly dependent on retaining management and leadership of our Brands with critical capabilities. Management succession at our Brands is very important to the ongoing results of our company because, as in any service business, the success of a particular Brand depends in part upon the leadership of key executives and management. If

we are unable to manage management succession at the Brand level, our ability to innovate, generate new business opportunities and

effectively lead large and complex client relationships and marketing services projects could be jeopardized. We depend on identifying, developing and retaining top talent to innovate and lead our businesses. This includes developing talent and leadership capabilities in emerging markets, where the depth of skilled employees may be limited. Our ability to expand in our key markets depends, in large part, on our ability to attract, develop, retain and integrate both leaders for the local business and people with critical capabilities.

Similarly, our profitability depends on our ability to effectively source and staff people with the right mix of skills and experience to perform services for our clients, including our ability to transition employees to new assignments on a timely basis. The costs associated with recruiting and training employees are significant. If we are unable to effectively deploy our employees globally and remotely on a timely basis to fulfill the needs of our clients, our profitability could suffer.

At certain times and in certain geographies, we have found and may continue to find it difficult to hire and retain a sufficient number of employees with the skills or backgrounds to meet current and/or future demand in a cost-effective manner. In these cases, we might need to redeploy existing personnel or increase our reliance on subcontractors to fill our labor needs, and if not done effectively, our profitability could be negatively impacted. Additionally, as demand for our services and solutions increases, we may be unable to hire and retain people with the skills necessary to meet demand, and we have in the past experienced and may continue to experience wage inflation and other increases to compensation expense, which puts upward pressure on our costs and may adversely affect our profitability if we are unable to recover these increased costs. If we are not successful in these initiatives, our business, results of operations, financial condition and prospects could be adversely affected.

Some of our Brands rely upon signatory service companies to employ union performers in commercials, and any inability to produce advertisements with union performers could impair our ability to serve our advertising clients and compete.

Some of our creative services Brands have not entered into the Screen Actors Guild - American Federation of Television and Radio Artists ("SAG-AFTRA") Commercials Contract, an industry contract form for commercial advertising, and instead have generally contracted with signatory service companies, which are parties to the SAG-AFTRA Commercials Contract, to employ SAG-AFTRA union performers appearing in television, new media, and other commercials produced by those Brands. SAG-AFTRA has recently persuaded the principal signatory service companies to change the way such signatory service companies do business. These changes may make it more cumbersome and expensive for advertising agencies which have not

entered into the SAG-AFTRA Commercials Contract to produce advertisements using SAG-AFTRA members, and in some cases may preclude the use of SAG-AFTRA members in the production of commercials by certain of our Brands. Because SAG-AFTRA members comprise a significant proportion of performing talent available for commercials, any inability of our Brands to produce commercials using union performers could materially limit such Brands' access to qualified performing talent, reduce the amount of business conducted by such Brands and impair their ability to compete with agencies that are able to employ union performers, which could in turn have a material adverse effect on our business, results of operations, financial condition and prospects.

Risks Related to Data Privacy and Cybersecurity

We face legal, reputational and financial risks from any failure to protect client data from security incidents or cyberattacks.

We and our third-party service providers, such as our cloud service providers that store, transmit and process data, rely on information technologies and infrastructure, which we use to manage our business, including digital storage of client marketing and advertising information and developing new business opportunities. Increased cybersecurity threats and attacks, such as security breaches, are becoming more sophisticated and pose a risk to our systems and networks. In addition, undiscovered vulnerabilities in our products or services could expose us or our clients to hackers or other unscrupulous third parties who develop and deploy viruses and other malicious software programs that could attack our products, services and business.

We are dependent on information technology networks and systems to securely process, transmit and store electronic information and to communicate among our locations around the world and with our people, clients, Global Affiliates partners and vendors. As the breadth and complexity of this infrastructure continues to grow, including as a result of the increasing reliance on, and use of, mobile technologies, social media and cloud-based services, the risk of security incidents and cyberattacks (including state-sponsored cyberattacks) has increased. Such incidents could lead to shutdowns or disruptions of or damage to our systems and those of our clients, Global Affiliates partners and vendors, and unauthorized disclosure of sensitive or confidential information, including personal data and proprietary business information. Also, given the unpredictability of the timing, nature and scope of such cybersecurity threats and attacks, we may be unable to anticipate attempted security breaches and, in turn, implement adequate preventative measures. Our systems and processes to protect against, detect, prevent, respond to and mitigate cybersecurity incidents and our organizational training for employees to develop an understanding of cybersecurity risks and threats may be unable to prevent material security breaches, theft, modification or loss of data, employee malfeasance (including improper use of social media) and additional known and unknown threats. Furthermore, mitigating the risk of future cybersecurity threats or attacks could result in additional operating and capital costs in systems technology, personnel, monitoring and other investments. We have experienced, and may again experience, data security

incidents resulting from unauthorized access to our and our service providers' systems and unauthorized acquisition of our data and our clients' data, including inadvertent disclosure, misconfiguration of systems, phishing ransomware or malware attacks. In addition, certain of our clients may experience breaches of systems and cloud-based services enabled by or provided by us.

In providing services and solutions to clients, we often manage, utilize and store sensitive or confidential client or other data, including personal data and proprietary information, and we expect these activities to increase, including through the use of AI, bots and cloud-based analytics. Security breaches, improper use of our systems and other types of unauthorized access to our systems, data, and information by employees and others may pose a risk that data may be exposed to unauthorized persons or to the public. We have access to sensitive data, personal data, and information that is subject to various data privacy laws and regulations, which have obligations that are triggered in the event of a breach. Unauthorized disclosure of, denial of access to, or other incidents involving sensitive or confidential client, vendor, Global Affiliates partner or our own data, whether through

systems failure, employee negligence, fraud, misappropriation, or cybersecurity, ransomware or malware attacks, or other intentional or unintentional acts, could damage our reputation and our competitive positioning in the marketplace, disrupt our or our clients' business, cause us to lose clients and result in significant financial exposure and legal liability. Similarly, unauthorized access to or through, denial of access to, or other incidents involving, our software and IT supply chain or SaaS providers, our service providers' information systems or those we develop for our clients, whether by our employees or third parties, including a cyberattack by computer programmers, hackers, members of organized crime and/or state-sponsored organizations, who continuously develop and deploy viruses, ransomware, malware or other malicious software programs or social engineering attacks, could result in negative publicity, significant remediation costs, legal liability, damage to our reputation and government sanctions and could have a material adverse effect on our results of operations. Cybersecurity threats are constantly expanding and evolving, becoming increasingly sophisticated and complex, increasing the difficulty of detecting and defending against them and maintaining effective security measures and protocols.

We are subject to extensive data privacy laws and regulations.

In addition, laws and regulations related to consumer privacy, **use processing** of personal data and **use of** digital tracking technologies have been proposed or enacted in the United States and certain international markets (including the European Union's General Data Protection Regulation, or "GDPR," the proposed updated European Union "ePrivacy Regulation" and the California Consumer Privacy Act, as amended by the California Privacy Rights Act, or "CCPA"). Further in the United States, both Congress and

state legislatures, along with federal regulatory authorities, have continued to increase their attention on advertising and the collection and use of data, including personal data. At the federal level, while to date there has not been any successful efforts in enacting comprehensive data privacy legislation, if successfully introduced, such legislation would create additional regulatory and compliance obligations, legal risk exposure, and could significantly impact our business activities. **The SEC also recently issued rules governing disclosures regarding cybersecurity incident response, governance and risk management.** At the state level, **in California, updates to the CCPA took effect on January 1, 2023. The updates to the CCPA, include additional data privacy and protection obligations on covered companies and expanding rights for California residents, including with respect to certain sensitive personal data. The CCPA will now be enforced by a California data protection agency specifically tasked to enforce the law, which will likely result in increased regulatory scrutiny of covered businesses in the areas of data protection and security. Similar consumer data privacy laws have been passed in four other states, and more are continuing continue to be proposed and passed in other states, a number of states across the country.** As more privacy legislation continues to be introduced, the Company could be subject to such laws regardless of whether the Company has operations or a physical presence in the applicable state. We face increasing costs of compliance in an uncertain regulatory environment and any failure or perceived failure to comply with these legal requirements could result in regulatory penalties or other legal liabilities. Also, any such laws may also have potentially conflicting requirements that would make compliance challenging, as well as potentially resulting in further uncertainty and requiring the Company to incur additional costs and expenses in an effort to comply. Furthermore, these laws and regulations may impact the efficacy and profitability of certain digital marketing and analytics services we provide to clients, making it difficult to achieve our clients' goals. **In the United States, the Federal Trade Commission (the "FTC") and other regulators at both the federal and state levels continue to seek greater regulation of the collection and processing of personal data, as well as restrictions and requirements for certain targeted advertising practices. Continuing developments in regulatory enforcement and future changes in laws and regulations throughout the United States could impact our ability to collect data, commercialize the data we do collect, limit the extent to which we can monetize or utilize that data, give rise to additional compliance costs, require us to make substantial investments to satisfy new regulatory rules, and expose us to potential non-compliance liability. We are also subject to evolving privacy laws on data processing activities related to cookies and online marketing. In the European Union, regulators actively enforce privacy requirements related to online behavioral advertising, and the forthcoming ePrivacy Regulation is anticipated to significantly increase fines for non-compliance. The text of the ePrivacy Regulation is still under development, and recent European Union regulatory guidance and court decisions have created uncertainty about the manner in which such laws and regulations will be enforced, which may require us to review our compliance approach and data processing activities, including related to data processing for marketing purposes.** These and other related factors could affect our business and reduce demand for certain of our services, which could have a material adverse effect on our results of operations and financial condition.

Compliance with data privacy laws requires ongoing investment in systems, policies and personnel and will continue to impact our business in the future by increasing legal, operational and compliance costs. While we have taken steps to comply with data privacy laws, we cannot guarantee that our efforts will meet the evolving standards imposed by governmental and regulatory agencies, including data protection authorities. In the event that we are found or suspected to have violated data privacy laws, we may be subject to additional potential private consumer, business partner or securities litigation, regulatory inquiries, governmental investigations and proceedings and we may incur damage to our reputation. Any such developments

may subject us to material fines and other monetary penalties and damages, divert management's time and attention, and lead to enhanced regulatory oversight, all of which could have a material adverse effect on our business and results of operations.

Risks Related to Litigation and Regulation

Litigation, investigations or other legal proceedings could expose us to significant liabilities and have a negative impact on our reputation or business.

From time to time, we have been and may in the future be party to various claims, **litigation proceedings and litigation proceedings, regulatory inquiries.** We evaluate these claims and litigation proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we establish reserves, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Although we are not currently party to any litigation that we consider material, actual outcomes or losses may differ materially from our assessments and estimates. **In addition, from time to time we receive and respond to regulatory inquiries and may be subject to regulatory or other government investigations, the outcomes of which are inherently uncertain.**

We and certain of our Brands produce software and e-commerce tools for clients, including the Stagwell Marketing Cloud and other martech products, and such types of software and e-commerce product offerings have become increasingly subject to litigation based on allegations of patent infringement or other violations of intellectual property rights. **In addition, the intellectual property ownership and license rights, including copyrights, surrounding AI technologies, including generative AI, have not been fully addressed by U.S. courts or other federal, state, or international laws or regulations, and the use or adoption of third-party generative AI technologies into our offerings may result in exposure to claims of copyright infringement or other intellectual property misappropriations, which could harm our business and financial results.** As we expand these product offerings, the possibility of an intellectual property claim against us grows.

In addition, putative securities class action lawsuits and derivative lawsuits and other stockholder claims are often brought against public companies that have entered into for a variety of reasons, including but not limited to claims arising out of stock price declines and acquisition, merger or other business combination agreements. We have been and may in the future be the target of securities and shareholder litigation, stockholder litigation or regulatory investigations.

Any such claims or investigations or other claims against us, with or without merit, could result in costly litigation or other proceedings and divert management from day-to-day operations and resources from our business. We cannot be certain that we would be successful in defending against or resolving any such claims, claims or other proceedings. Any litigation to which we are a party such matters may result in an onerous or unfavorable judgment that may not be reversed on appeal, or we may decide to settle lawsuits such matters on similarly unfavorable terms. If we are not successful in defending or resolving such claims, matters, we could be required to rebrand, redesign or stop offering these products or services, pay monetary damages or fines, enter into royalty or licensing arrangements, satisfy indemnification obligations that we have with some of our clients or make changes to our business practices, any of which could have an adverse effect on our business, reputation, results of operations, financial condition and prospects.

Even when these claims matters are not meritorious, without basis, the defense of these claims matters may divert our management's attention and may result in significant expenses. The results and timing of litigation, investigations and other legal proceedings are inherently uncertain, and adverse judgments or settlements in some of these legal disputes matters may result in adverse monetary damages, penalties or injunctive relief against us, as well as adverse publicity and reputational harm, which could have a material adverse effect on our financial condition, cash flows or results of operations. Any

claims or litigation, such matters, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future.

Furthermore, while we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if the insurers prevail, the amount of our recovery.

We are subject to industry regulations and other legal or reputational risks that could restrict our activities or negatively impact our performance or financial condition.

Our industry is subject to government regulation and other governmental action, both in the United States and internationally. We and our clients are subject to specific rules, prohibitions, media restrictions, labeling disclosures and warning requirements applicable to advertising for certain products. Governmental entities, self-regulatory bodies and consumer groups may also challenge advertising through legislation, regulation, judicial actions or otherwise, for example on the grounds that the advertising is false and deceptive or injurious to public welfare. Moreover, there has recently been an expansion of

specific rules, prohibitions, media restrictions, labeling disclosures, and warning requirements with respect to advertising for certain products. Any regulatory or judicial action that affects our ability to meet our clients' needs or reduces client spending on our services could have a material adverse effect on our business, results of operations, financial condition and prospects.

Existing and proposed laws and regulations, in particular in the European Union and the United States, concerning user privacy, use of personal information data and online tracking technologies could also affect the efficacy and profitability of internet-based, digital and targeted marketing. We are subject to laws and regulations that govern whether and how we can transfer, process or receive certain data that we use in our operations. For example, federal laws and regulations governing privacy and security of consumer information generally apply to our clients and/or to us as a service provider. These laws and regulations include, but are not limited to, the federal Fair Credit Reporting Act, the Gramm-Leach-Bliley Act and regulations implementing its information safeguarding requirements, the Junk Fax Prevention Act of 2005, the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003, the Telephone Consumer Protection Act, the Do-Not-Call-Implementation Act, applicable Federal Communications Commission telemarketing rules (including the declaratory ruling affirming the blocking of unwanted robocalls), the Federal Trade Commission Privacy Rule, Safeguards Rule, Consumer Report Information Disposal Rule, Telemarketing Sales Rule, Risk-Based Pricing Rule, Red Flags Rule, and the CCPA. Laws of foreign jurisdictions, such as Canada's Anti-Spam Law and Personal Information Protection and Electronic Documents Act, and the GDPR similarly apply to our collection, processing, storage, use, and transmission of protected data. The European Union, for example, has recently tightened its rules on the transferability of data to the United States. Collection, processing, and storage of biometric identifiers has come under increasing regulation and is the subject of class action litigation. The costs of compliance with these laws and regulations may increase in the future as a result of the implementation or changes in interpretation of new laws or regulations such as the GDPR and the CCPA, or changes in interpretations of current ones, such as the interpretation of existing consumer protection laws as imposing restrictions on the online collection, storage and use of personal data. CCPA. See "—Risks Related to Data Privacy and Cybersecurity—We are subject to extensive data privacy laws and regulations." Any failure on our part to comply with these legal requirements, or their application in an unanticipated manner, could harm our business and result in penalties or significant legal liability. The imposition of restrictions on certain technologies by private market participants in response to privacy concerns could also have a negative impact on our digital business. If we are unable to transfer data between countries and regions in which we operate, or if we are prohibited from sharing data among our products and services, it could affect the manner in which we provide our services or adversely affect our financial results.

Legislators, agencies and other governmental entities, as well as consumer groups, may also continue to initiate proposals to ban the advertising of specific products, such as alcohol, tobacco or marijuana products, and to impose taxes on or deny deductions for advertising, which, if successful, may hinder our ability to accomplish our clients' goals and have an adverse effect on advertising expenditures and, consequently, on our revenues. Governmental action, including judicial rulings, on the relative responsibilities of clients and their marketing agencies for the content of their marketing can also impact our operations. We could also suffer reputational risk as a result of governmental or legal action or from undertaking work that may be challenged by consumer groups or considered controversial.

We are subject to laws and regulations in the United States and other countries in which we operate, including export restrictions, economic sanctions, the FCPA, and similar anti-corruption laws. Compliance with these laws requires significant resources, and non-compliance may result in civil or criminal penalties and other remedial measures.

We are subject to many laws and regulations that restrict our international operations, including laws that prohibit activities involving restricted countries, organizations, entities and persons that have been identified as unlawful actors or that are subject to U.S. sanctions. The U.S. Office of Foreign Assets Control ("OFAC"), and other international bodies have imposed sanctions that prohibit us from engaging in trade or financial transactions with certain countries, businesses, organizations and individuals. For example, in February 2022, following Russia's invasion of Ukraine and the imposition of economic sanctions

targeting Russia by the United States and other countries, we exited our operations in Russia. Despite our efforts to ensure compliance with applicable law, it is difficult to anticipate the effect such sanctions may have on us, and compliance with any further sanctions imposed or actions taken by the United States or other countries, as well as the effect of current or further economic sanctions (and any retaliatory responses thereto) may otherwise have an adverse effect on our operations.

We are also subject to the Foreign Corrupt Practices Act ("FCPA") and anti-bribery and anti-corruption laws in other countries. The FCPA prohibits U.S. businesses and their representatives from offering to pay, paying, promising to pay or authorizing the payment of money or anything of value to a foreign official in order to influence any act or decision of the foreign official in his or her official capacity or to secure any other improper advantage in order to obtain or retain business. The FCPA also obligates companies whose securities are listed in the United States to comply with accounting provisions requiring us to maintain books and records, which in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the corporation, including international subsidiaries, if any, and to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements. Globally, other countries have enacted anti-bribery and anti-corruption laws similar to the FCPA, such as the **Anti-Graft and Corrupt Practices Act in the Philippines and the U.K. Bribery Act 2010**, all of which prohibit companies and their intermediaries from bribing government officials for the purpose of obtaining or keeping business or otherwise obtaining favorable treatment. We operate in many parts

of the world that have experienced government corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices, although adherence to local customs and practices is generally not a defense under U.S. and other anti-bribery laws.

Our compliance program contains controls and procedures designed to procure our compliance with applicable anti-bribery, anti-corruption, economic sanctions, and other laws and regulations. The continuing implementation and ongoing development and monitoring of our compliance program is time consuming and expensive and could result in the discovery of compliance issues or violations by us or our employees, independent contractors, subcontractors or agents of which we were previously unaware. In addition, due to uncertainties and complexities in the regulatory environment and dynamic developments in the scope of such regulations (including with respect to economic sanctions imposed by the United States and other jurisdictions targeting Russia), we cannot be sure that regulators will interpret laws and regulations the same way we do, or that we will be in full compliance with applicable laws and regulations.

Any violations of these or other laws, regulations and procedures by our employees, independent contractors, subcontractors and agents, including third parties we associate with or companies we acquire, could expose us to administrative, civil or criminal penalties, fines or business restrictions, which could have a material and adverse effect on our results of operations and financial condition and would adversely affect our reputation and the market for shares of our Class A Common Stock.

Risks Related to Intellectual Property

Our business operations could suffer if we fail to adequately protect and enforce our intellectual property and other proprietary rights.

We rely on trademark, patent, copyright, trade secret and other intellectual property laws, as well as contractual provisions such as confidentiality clauses, to establish and protect our intellectual property and other proprietary rights, including in our Brands (and the trademark rights thereto) and our proprietary technologies. These laws are subject to change at any time and certain agreements may not be fully enforceable, which could restrict our ability to protect our intellectual property rights. Such means may also afford only limited protection of our intellectual property and may not: (i) prevent others from independently developing products or services similar to, or duplicative of, ours; (ii) prevent our competitors from gaining access to our proprietary information and technologies; or (iii) permit us to gain or maintain a competitive advantage. We cannot be sure that the actions we have taken to establish and protect our trademarks and other intellectual property rights will adequately protect us, and if our existing intellectual property rights are rendered invalid or unenforceable, or narrowed in scope, the intellectual property protections afforded our Brands, products and services would be impaired. Such impairment could impede our ability to market our products and services, negatively affect our competitive position, and harm our business and operating results. Even if we successfully maintain our intellectual property rights, we may be unable to enforce those rights against third parties.

We also rely on patents to protect our products, services and designs. We have applied for, and expect to continue to apply for, additional patent protection for proprietary aspects of existing and proposed processes, services and products. Our patent applications may not result in issued patents, and any patents issued as a result of our patent applications may not be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Additionally, we seek to maintain the confidentiality of certain trade secrets and other proprietary information to preserve our position in the market. We employ various methods to protect such intellectual property, such as entering into confidentiality agreements with certain third parties and our employees, and controlling access to, and distribution of, our proprietary information. However, our efforts may not be effective in controlling access to our proprietary information, and we may not have adequate remedies for the misappropriation of such information. Furthermore, even if we successfully maintain the confidentiality of our trade secrets and

other proprietary information, competitors may independently develop products or technologies that are substantially equivalent or superior to our own.

As we expand our service offerings and the geographic scope of our sales and marketing, we may face additional intellectual property challenges. Certain foreign countries do not protect intellectual property rights as fully as they are protected in the United States and, accordingly, intellectual property protection may be limited or unavailable in some foreign countries where we choose to do business. It may therefore be more difficult for us to successfully challenge the use of our intellectual property rights by other parties in these countries, which could diminish the value of our Brands, products or services and cause our competitive position and growth to suffer. Filing, prosecuting and defending our

intellectual property in all countries throughout the world may be prohibitively expensive. The lack of adequate legal protections of intellectual property or failure of legal remedies for related actions in jurisdictions outside of the United States could have an adverse effect on our business, results of operations, and financial condition.

If we infringe, misappropriate or otherwise violate the intellectual property rights of third parties or are subject to an intellectual property infringement or misappropriation claim, our ability to grow our business may be severely limited and our business could be adversely affected.

We may in the future be the subject of patent or other litigation. Our products and services, including products and services that we may develop in the future, may infringe, or third parties may claim that they infringe, intellectual property rights covered by patents or patent applications under which we do not hold licenses or other rights. Third parties may own or control these patents and patent applications in the United States and abroad. These third parties could bring claims against us that would cause us to incur substantial expenses and, if successfully asserted against us, could cause us to pay substantial damages. Further, if a patent infringement or other intellectual property-related lawsuit were brought against us, we could be forced to stop or delay production or sales of the product that is the subject of the suit. From time to time, we may receive letters from third parties drawing our attention to their patent rights. While we take steps to ensure that we do not infringe upon, misappropriate or otherwise violate the rights of others, there may be other more pertinent rights of which we are currently unaware. The defense and prosecution of intellectual property lawsuits could result in substantial expense to us and significant diversion of effort by our technical and management personnel. An adverse determination of any litigation or interference proceeding to which we may become a party could subject us to significant liabilities. As a result of patent infringement claims, or in order to avoid potential claims, we may choose or be required to seek a license from the third party and be required to pay significant license fees, royalties or both. Licenses may not be available on commercially reasonable terms, or at all, in which event our business would be materially and adversely affected. Even if we were able to obtain a license, the rights may be nonexclusive, which could result in our competitors gaining access to the same intellectual property. Ultimately, if we are unable to obtain such licenses, we could be forced to cease some aspect of our business operations, which could harm our business significantly.

Our products and services use open source software, and any failure to comply with the terms of one or more applicable open source licenses could adversely affect our business, subject us to litigation, and create potential liability.

Some of our solutions use software made available under open source licenses, and we expect to continue to incorporate open source software in our solutions in the future. Open source software is typically freely available, development costs and speed up the development process, it may also present certain risks, that may be greater than those associated with the use of third-party commercial software. For example, open source software is generally provided without any warranties or other contractual protections regarding infringement or the quality of the code, including the existence of security vulnerabilities. We cannot guarantee we comply with all obligations under these licenses. If the owner of the copyright in the relevant open source software were to allege that we had not complied with the conditions of one or more open source licenses, we could be required to incur significant expenses defending against such allegations **may and could** be subject to the payment of damages, enjoined from further use of the software, required to comply with conditions of the license (which may include releasing the source code of our proprietary software to third parties without charge), or forced to devote additional resources to re-engineer all or a portion of our solutions to avoid using the open source software. Any of these events could create liability for us, damage our reputation, and have an adverse effect on our **revenue, business, result of operations, financial condition and operations, prospects.**

Risks Related to Our Capital Structure and Financing

Our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or in our industry, expose us to interest rate risk to the extent of our variable rate debt, and prevent us from meeting our obligations under our indebtedness.

We are highly leveraged. As of **December 31, 2022** **December 31, 2023**, we had **\$1.2 billion** **\$1.1 billion** of total consolidated indebtedness outstanding. Our outstanding credit agreement and notes are guaranteed by substantially all of our material domestic subsidiaries, and our outstanding credit agreement is secured by substantially all of the assets and stock of such subsidiaries. If we cannot make scheduled payments on our debt, we will be in default and, as a result, our debt holders could declare all outstanding principal and interest to be due and payable; the lenders under our outstanding credit agreement could terminate their commitments to

loan us money and foreclose against the assets securing our borrowings; and we could be forced into bankruptcy or liquidation, which could adversely affect our business, results of operations, financial condition and prospects.

Our high degree of leverage could have important consequences for us, including:

- requiring us to utilize a substantial portion of our cash flows from operations to make payments on our indebtedness, reducing the availability of our cash flows to fund working capital, capital expenditures, development activity, and other general corporate purposes;
- increasing our vulnerability to adverse economic, industry, or competitive developments;
- exposing us to the risk of increased interest rates because substantially all of our borrowings, other than the \$1,100,000 aggregate principal amount of 5.625% senior notes due 2029 (the "5.625% Notes"), are at variable rates of interest;
- making it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under the agreements governing our indebtedness;
- 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, product development, debt service requirements, acquisitions, and general corporate or other purposes; and
- limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged and who, therefore, may be able to take advantage of opportunities that our leverage prevents us from exploiting.

Our outstanding credit agreement is floating rate debt. If interest rates increase, our debt service obligations on such indebtedness will increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease.

We may also elect to enter into swaps to reduce our exposure to floating interest rates, but we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

In addition, we may be able to incur substantial additional indebtedness in the future. As of **December 31, 2022** **December 31, 2023**, we had **\$375 million** **\$565 million** of availability under our revolving credit agreement. In addition, we will be permitted to add, under such credit agreement, incremental facilities, subject to certain conditions being satisfied. Although the agreements governing our indebtedness contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness as defined under our debt instruments. To the extent new debt is added to our current debt levels, the substantial leverage risks described above would increase.

We may be unable to service all our indebtedness.

Our ability to make scheduled payments on and to refinance all our indebtedness depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors beyond our control, including the availability of financing in the banking and capital markets. Our business may not generate sufficient cash flow from operations, and future borrowings may not be available to us in an amount sufficient to enable us to service all our debt, to refinance all our debt or to fund our other liquidity needs.

If we are unable to meet all our debt service obligations or to fund our other liquidity needs, we will need to restructure or refinance all or a portion of our debt, which could cause us to default on our debt obligations and impair our liquidity. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants that could further restrict our business operations.

Moreover, in the event of a default, the holders or lenders of our indebtedness could elect to declare all the funds borrowed to be due and payable, together with accrued and unpaid interest. The lenders under our outstanding credit agreement could also elect to terminate their commitments thereunder, cease making further loans, and institute foreclosure proceedings against their collateral, and we could be forced into bankruptcy or liquidation.

We may need additional capital in the future, which may not be available to us. The raising of any additional capital may dilute holders' ownership percentage in our stock.

As of **December 31, 2022** **December 31, 2023**, we had unrestricted cash and cash equivalents totaling **\$221 million** **\$120 million** and a borrowing capacity under our credit facility of **\$500 million**, **\$640.0 million**, with **\$375 million** **\$565 million** of unused capacity available. We intend to continue to make investments to support our business growth and may require additional funds if our capital is insufficient to pursue business opportunities and respond to business challenges. Accordingly, we may need to engage in equity, equity-linked or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt

securities, our existing stockholders could suffer dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A Common Stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, our ability to continue to support our business growth and to respond to business challenges could be significantly limited.

In addition, because credit ratings are an important factor influencing our ability to access capital and the terms of any new indebtedness, including covenants and interest rates, we could be adversely affected if our credit ratings were downgraded or if they were significantly weaker than those of our competitors. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of our debt. Any credit rating initially assigned to our debt that is subsequently lowered or withdrawn for any reason could harm our ability to raise additional capital at acceptable cost and as a result adversely affect our business, results of operations, financial condition and prospects. Our clients and vendors may also

consider our credit profile when considering whether to contract with us or negotiating contract terms, and if they were to change the terms on which they deal with us, it could have a further adverse effect on our business, prospects, results of operations and financial condition.

If our available liquidity is insufficient, our financial condition could be adversely affected and we may be unable to fund contingent deferred acquisition liabilities, and any put options if exercised.

We maintain our credit agreement, together with cash flow from operations and proceeds from our recent notes financing, to fund our working capital needs and to fund the exercise of put option obligations and contingent deferred acquisition payments. If credit were unavailable or insufficient under our credit agreement, our liquidity could be adversely affected, and our ability to fund our working capital needs and any contingent obligations with respect to put options or contingent deferred acquisition payments could be adversely affected. We have made acquisitions for which we have deferred payment of a portion of the purchase price, with the deferred acquisition consideration generally payable based on achievement of certain thresholds of future earnings of the acquired company. In addition, a noncontrolling equityholder in an acquired business **often sometimes** has the right to require the us to purchase all or part of such holder's interest, either at specified dates or upon the termination of such holder's employment with the subsidiary or death (put rights). Payments we are required to make in respect of deferred acquisition consideration and noncontrolling equityholder put rights may be significantly higher than the amounts we estimate because the actual obligation adjusts based on the performance of the acquired businesses over time. If available liquidity is insufficient, we may be unable to fund contingent deferred acquisition payments.

Our Up-C structure places significant limitations on our cash flow because our principal asset is our interest in OpCo, and, accordingly, we depend on distributions from OpCo to pay our taxes and expenses, including payments under the Tax Receivables Agreement.

As part of our umbrella partnership-C corporation ("Up-C") structure, we are a holding company and our principal asset is our ownership of common units of our operating subsidiary, Stagwell Global LLC ("OpCo"), OpCo. This structure is designed to enable us to obtain certain tax benefits, and 85% of such tax benefits are payable to Stagwell Media under our Tax Receivables Agreement with Stagwell Media and OpCo. However, we have no independent means of generating revenue or cash flow, and our ability to pay taxes and operating expenses, and to service our liabilities, is dependent upon the financial results and cash flows of OpCo and its subsidiaries, along with the distributions we receive from OpCo. OpCo intends to make payments to us out of available funds, and subject to limitations imposed under the agreements governing our indebtedness, and there can be no assurance that OpCo and its subsidiaries will generate sufficient cash flow to distribute funds to us or that applicable state law and contractual restrictions will permit such distributions. Moreover, because of our Up-C structure, this financing arrangement can give rise to U.S. corporate income tax liabilities for us in respect of the formation of OpCo, and subsequently as OpCo makes cash distributions to us to the extent they are subject to certain technical regulations regarding disguised sales, subject to certain exceptions including for distributions of operating cash flows and leveraged distributions. In such an event, we would depend on further cash distributions from OpCo in order to enable us to pay such tax liabilities.

We also incur expenses related to our operations, which may be significant. We intend, as OpCo's sole manager, to cause OpCo to make cash distributions to the owners of OpCo membership interests so that we receive (i) an amount sufficient to allow us to fund all of our tax obligations in respect of taxable income allocated to us and (ii) distributions to cover our operating expenses, including any obligations to make payments under the Tax Receivables Agreement. When OpCo makes distributions, Stagwell Media and the other members of OpCo besides us are and will be entitled to receive proportionate distributions based on their economic interests in OpCo's common units at the time of such distributions. OpCo's ability to make such distributions may be subject to various limitations and restrictions, such as restrictions on distributions that would either violate any contract or agreement to which OpCo is then a party, or any applicable law, or that would have the effect of rendering OpCo insolvent or exceed the amounts that OpCo is permitted to distribute under the agreements governing our indebtedness. If we do not have sufficient funds to pay tax or other liabilities or to fund our operations, we may have to borrow

funds, which could materially and adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such indebtedness. To the extent that we are unable to make payments under the Tax Receivables Agreement for any reason, such payments generally will be deferred and will accrue interest until paid, but nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivables Agreement and therefore accelerate payments due under the Tax Receivables Agreement. Any inability to pay tax or other liabilities or to fund our operations could have a material and adverse effect on our business, results of operations, financial condition and prospects.

Our Tax Receivables Agreement with Stagwell Media requires us to make cash payments to Stagwell Media in respect of certain tax benefits to which we may become entitled, and we expect the payments we are required to make to be substantial, may be required to be made prior to the time that we recognize any associated tax benefits and may make our company a less attractive target to potential acquirers.

In connection with the closing of the Transactions, we entered into the Tax Receivables Agreement with OpCo and Stagwell Media, pursuant to which we are required to make cash payments to Stagwell Media equal to 85% of certain U.S.

federal, state and local income tax or franchise tax savings, if any, that we actually realize, or in certain circumstances are deemed to realize, as a result of (i) increases in the tax basis of OpCo's assets resulting from redemptions or exchanges by the other holders of OpCo's common units, together with a corresponding number of shares of our Class C Common Stock, common stock, par value \$0.00001 per share (the "Class C Common Stock"), for shares of our Class A Common Stock or cash, as applicable, and (ii) certain other tax benefits related to us making payments under the Tax Receivables Agreement. We expect the amount of the cash payments that we are required to make under the Tax Receivables Agreement to be significant. Any payments made to Stagwell Media under the Tax Receivables Agreement will generally reduce the amount of overall cash flow that may have otherwise been available to us.

The actual increase in tax basis, as well as the amount and timing of any payments under the Tax Receivables Agreement, varies depending on a number of factors, including, but not limited to, the timing of any future redemptions or exchanges, the price of our Class A Common Stock at the time of such redemptions or exchanges, the extent to which redemptions or exchanges are taxable, the amount and timing of the taxable income that we generate in the future, the timing and amount of any earlier payments we make under the Tax Receivables Agreement itself, the tax rates then applicable and the portion of our payments under the Tax Receivables Agreement constituting imputed interest. We expect that, as a result of the increases in the tax basis of OpCo's tangible and intangible assets attributable to the redeemed or exchanged OpCo common units, the payments that we may make to Stagwell Media could be substantial. The amounts we may be required to pay under the Tax Receivables Agreement will be calculated based in part on the market value of our Class A Common Stock at the time of redemption or exchange and the prevailing federal tax rates applicable to us over the life of the Tax Receivables Agreement (as well as the assumed combined state and local tax rate), and will generally be dependent on our ability to generate sufficient future taxable income to realize all of these tax savings.

Under its amended and restated operating agreement, subject to availability of funds and limitations imposed under the agreements governing our indebtedness, OpCo is generally required from time to time to make distributions in cash to us in amounts that are intended to be sufficient to cover the taxes on our allocable share of the taxable income of OpCo, and OpCo is also required to make pro rata distributions at such time to the other holders of its common units, including Stagwell Media, without taking into account the tax savings realized by us that result in our obligations under the Tax Receivables Agreement. There is no guarantee that the amounts or timing of such distributions will be sufficient to cover payments required under the Tax Receivables Agreement, including in the event payments under the Tax Receivables Agreement are due prior to the time that we realize the associated tax benefits. In particular, the Tax Receivables Agreement provides that in the case of a change in control, a material breach of our obligations under the Tax Receivables Agreement, or if, at any time, we elect an early termination of the Tax Receivables Agreement, then the Tax Receivables Agreement will terminate and our obligations under the Tax Receivables Agreement would accelerate and become due and payable. In such a case, we would be required to make an immediate cash payment to Stagwell Media in an amount equal to the present value of all future payments (calculated using a discount rate equal to the Secured Overnight Financing Rate ("SOFR") plus 100 basis points) under the Tax Receivables Agreement, which payment would be based on certain assumptions, including that we would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the Tax Receivables Agreement and that Stagwell Media had exchanged any remaining outstanding common units of OpCo, together with shares of our Class C Common Stock, for shares of our Class A Common Stock.

In addition, the distributions we receive from OpCo may at some times exceed our tax liabilities and our obligations to make payments under the Tax Receivables Agreement. In the event excess cash is distributed to us, our board of directors (our "Board") will determine the appropriate uses for any excess cash so accumulated, which may include, among other uses, the payment obligations under the Tax Receivables Agreement and the payment of other expenses. We have no obligation to distribute such cash (or other available

cash other than any declared dividend) to our stockholders. No adjustments to the redemption or exchange ratio of common units of OpCo, together with shares of our Class C Common Stock, for shares of our Class A Common Stock or cash, as applicable, will be made as a result of either any cash distribution we receive from OpCo or

any cash that we retain and do not distribute to our stockholders. To the extent that we do not utilize any excess cash to fund our other expenditures, the other members of OpCo would benefit from any value attributable to such cash balances as a result of their ownership of shares of our Class A Common Stock following a redemption or exchange of their common units of OpCo and shares of our Class C Common Stock. Additionally, no adjustments to the redemption or exchange ratio of common units of OpCo and shares of our Class C Common Stock for shares of our Class A Common Stock or cash will be made in the event that we incur liabilities or expenses but do not receive cash distributions from OpCo in sufficient amount to fund such liabilities or expenses.

Risks Related to Accounting and Tax Issues

Our results of operations are subject to foreign currency exchange fluctuation risks.

Although our financial results are reported in U.S. dollars, a portion of our revenues and operating costs is denominated in currencies other than the U.S. dollar, and the functional currency of our foreign operations is generally their respective local currency. As a result, fluctuations in the exchange rate between the U.S. dollar and other currencies, particularly the Canadian

dollar, the Euro and the British Pound and the Euro, may affect our financial results and competitive position. Because our consolidated financial statements Audited Consolidated Financial Statements are presented in U.S. dollars, we must translate revenues and expenses, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, changes in the value of the U.S. dollar against other currencies will affect our revenues, operating income and the value of balance-sheet items, including intercompany payables and receivables, that are denominated in other currencies. These changes could cause our revenue and net income in U.S. dollars to be higher or lower than our results in local currency when compared against other periods.

In addition, certain of our expenses are incurred in currencies other than those in which we bill for the related services. An increase in the value of certain currencies, such as those listed above, could increase costs for delivery of services overseas by increasing labor and other costs that are denominated in local currency. Our contractual provisions or cost management efforts may not be able to offset their impact, and our currency hedging activities, which are designed to partially offset this impact, may not be successful. This could result in a decrease in the profitability of our contracts that are denominated in such currencies.

Our goodwill, intangible assets and right-of-use lease assets may become impaired.

We have recorded a significant amount of goodwill and, intangible assets in our consolidated financial statements Audited Consolidated Financial Statements resulting from our acquisition activities, and we have in the past recorded, and may in the future record, significant charges for impairment of goodwill and intangible assets. We also have recorded a significant amount of right-of-use lease assets in our consolidated financial statements Audited Consolidated Financial Statements and we have in the past recorded, and may in the future record charges for impairment of these assets. We test, at least annually, the carrying value of goodwill for impairment. The estimates and assumptions about future results of operations and cash flows made in connection with the impairment testing could differ from future actual results of operations and cash flows. For example, in the year ended December 31, 2022, we recorded an impairment charge of \$116.7 million after concluding that the carrying value of eight reporting units exceeded their fair value. In addition, in the year ended December 31, 2023, we recognized an impairment charge of \$10.0 million to reduce the carrying value of four of our right-of-use lease assets and related leasehold improvements and recognized an impairment charge of \$1.4 million to reduce the carrying value of an intangible asset in connection with the abandonment of a trade name. See Note 8 of the Notes to the Audited Consolidated Financial Statements for details on goodwill and intangible asset impairment impairments recorded in the year years ended December 31, 2023 and December 31, 2022. If we conclude that any further intangible asset and goodwill values are impaired, whether as a result of underperformance in one or more reporting units, a potential recession or other disruption, interest rate increases or other factors, any resulting non-cash impairment charge could have a material adverse effect on our business, results of operations and financial condition.

Material weaknesses in our internal control over financial reporting were identified as of December 31 2021, and remain unremediated as of December 31, 2022 December 31, 2023. If our remediation of these material weaknesses is not effective, or if we fail to maintain effective internal control over financial reporting in the future, we may not be able to accurately or timely report our financial results, which could adversely affect investor confidence in our company, our results of operation and our stock price.

As discussed in Item 9A. "Controls and Procedures" of this Form 10-K, management identified material weaknesses in our internal control over financial reporting for the fiscal year ended December 31, 2021 that remained unremediated as of December 31, 2022 December 31, 2023. Any failure to remediate the material weaknesses or to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations. In addition, any For example, our material weaknesses contributed to our failure to prevent or detect misstatements requiring adjustments to our income tax expense and related accounts, accumulated other comprehensive loss, noncontrolling interest and related disclosures for each of the interim periods of 2023 and resulted in the revision of our consolidated financial statements for the annual period of 2022. These material weaknesses also resulted in immaterial adjustments to multiple accounts and related disclosures for the annual and each of the interim periods of 2023. If we are unable to remediate our existing material weaknesses and implement and maintain effective internal control over financial reporting, or if future testing by us as and when required, conducted in accordance with Section 404 of the Sarbanes-Oxley Act ("Section 404"), or any subsequent testing by our independent registered public accounting firm as and when required, may reveal reveals further material weaknesses or other deficiencies in our internal control over financial reporting that are deemed to be significant deficiencies or material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. If we are unable to implement and maintain effective internal control over financial reporting, our ability to record, process and report financial information timely and accurately could be adversely affected, affected, and we may fail to detect or prevent material misstatements in our annual or interim consolidated financial statements that may require prospective or retrospective changes to our financial statements. In addition, our past and any such failure, future misstatements or any misstatement or restatement restatements of financial information could also expose us to increased risk of litigation or regulatory inquiries and could cause investors to lose confidence in the accuracy and

completeness of our reported financial information, which could negatively affect the market price of our Class A Common Stock.

Our disclosure controls and procedures and internal controls may not prevent or detect all errors or acts of fraud.

We designed our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and

procedures or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

If our judgments or estimates relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in our stock price.

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

We may be subject to adverse tax consequences, such as those related to changes in tax laws or tax rates or their interpretations, and the related application of judgment in determining our global provision for income taxes, deferred tax assets or liabilities or other tax.

We and OpCo are subject to tax in multiple tax jurisdictions. Significant judgment is required in determining our global provision for income taxes, deferred tax assets or liabilities and in evaluating our tax positions on a worldwide basis. While we believe our tax positions are consistent with the tax laws in the jurisdictions in which we conduct our business, it is possible that jurisdictional tax authorities may take a contrary view, which may have a significant impact on our global provision for income taxes. Additionally, as a pass-through entity for U.S. tax purposes, OpCo is required to make periodic distributions to (i) us, to enable us to pay taxes allocable to our investment in OpCo, and (ii) the holders of OpCo's common units and corresponding shares of our Class C Common Stock. If our or OpCo's effective tax rate were to increase, such obligations to make tax distributions will correspondingly increase. See "—Risks Related to Our Capital Structure and Financing—Our Up-C structure places significant limitations on our cash flow because our principal asset is our interest in OpCo, and, accordingly, we depend on distributions from OpCo to pay our taxes and expenses, including payments under the Tax Receivables Agreement."

Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. For example, the United States enacted significant tax reform, and certain provisions of the new law may adversely affect us. In addition, the Biden administration has proposed several corporate tax increases, including raising the U.S. corporate income tax rate and greater taxation of international income, which, if enacted, could adversely affect our tax liability, and governmental tax authorities are increasingly scrutinizing the tax positions of companies. The United States has also enacted the Inflation Reduction Act of 2022 ("IRA") in August 2022, which, among other changes, introduced a new 1% exercise tax on certain net share repurchases and equivalent redemptions.

Many countries in the European Union, as well as a number of other countries and organizations such as the Organization for Economic Cooperation and Development (the "OECD"), are actively considering changes to existing tax laws that, if enacted, could increase our tax obligations in countries where we do business. In particular, the OECD has agreed to implement a global minimum tax rate of 15% which would operate by imposing a top-up tax on profits arising in a jurisdiction whenever the effective tax rate of a large multinational enterprise, determined on a jurisdictional basis, is below the 15% minimum rate (such minimum tax proposal, "Pillar Two"). In December 2022, the European Union member states formally adopted the European Commission's proposal for a directive ensuring a 15% minimum effective tax rate for large multinational groups (the "Pillar Two Directive"). The A number of European Union member states have either published proposed legislation or enacted final legislation implementing Pillar Two Directive is expected to be implemented effective as of 2024. A number of other countries, including the United Kingdom, Switzerland, South Korea and Japan, have enacted Pillar Two legislation or are currently in the national law process of enacting proposed legislation to implement core elements of Pillar Two effective as of 2024. To the European Union

member states by December 31, 2023. If extent Pillar Two is implemented in the European Union or any other jurisdictions by a jurisdiction in which we our subsidiaries operate, we expect these rules that Pillar Two would apply to our those subsidiaries in those jurisdictions and could impact our consolidated effective corporate income tax rate as well as increase our tax compliance costs.

If the U.S. or other foreign tax authorities change applicable tax laws, our overall taxes could increase, as well as OpCo's obligations to make tax distributions, and our business, financial condition or results of operations may be adversely impacted.

We may face material adverse tax consequences resulting from the Transactions in Canada, the United States or other jurisdictions.

In connection with the completion of the Transactions, MDC completed a redomiciliation from the federal jurisdiction of Canada to the State of Delaware (the "Redomiciliation"). We believe that the Redomiciliation qualifies as a "reorganization" under section 368(a) of the Internal Revenue Code (the "Code") and treated, for U.S. federal income tax purposes, as if MDC (i) transferred all of its assets and liabilities to a new U.S. corporation ("New MDC") in exchange for all of such new corporation's outstanding stock and (ii) then distributed the stock of New MDC that it received in the transaction to its **shareholders stockholders** in liquidation of MDC. Additionally, we believe the Transactions should be treated for tax purposes as a deemed transfer by New MDC of its assets to OpCo and an assumption of New MDC's liabilities by OpCo in a transaction intended to qualify as a contribution to OpCo in exchange for OpCo's common units or preferred units under section 721 of the Code, and that Stagwell Media's contribution of its businesses to OpCo is similarly subject to section 721 of the Code.

We may face material adverse U.S. tax consequences as a result of the Transactions, and the Internal Revenue Service may not agree with or may otherwise challenge our position on the tax treatment of the Transactions or of internal restructuring transactions undertaken prior to, after, or in connection with the Transactions, which could result in higher U.S. federal tax costs than we anticipate, including a reduction in the net operating loss carryforwards of certain of our subsidiaries. We have not applied for a ruling related to the Transactions and do not intend to do so. Any adverse tax consequences resulting from the Transactions or our operations as a combined company could have an adverse effect on our business, results of operations, financial condition and cash flows. Moreover, U.S. tax laws significantly limit our ability to redomicile outside of the United States.

In addition, as a result of the Redomiciliation, we incurred a significant Canadian corporate tax liability and recorded a tax receivable of \$12 million included in Other Assets in our **consolidated financial statements. Audited Consolidated Financial Statements.** For purposes of the Canadian Tax Act, MDC's taxation year was deemed to have ended immediately prior to it ceasing to be a resident of Canada as a result of the Redomiciliation. Immediately prior to the time of this deemed year end, MDC was deemed to have disposed of each of its properties for proceeds of disposition equal to the fair market value of such properties at that time and was deemed to have reacquired such properties for a cost amount equal to that fair market value. MDC was subject to income tax under Part I of the Canadian Tax Act on any income and net taxable capital gains which arise as a result of this deemed disposition (after the utilization of any available capital losses or non-capital losses) and was also subject to "emigration tax" under Part XIV of the Canadian Tax Act on the amount by which the fair market value, immediately before MDC's deemed year end, of all of its properties exceeded the total of certain of its liabilities and the paid-up capital, determined for purposes of that emigration tax, of all the issued and outstanding shares of MDC immediately before such deemed year end.

The quantum of Canadian federal income tax payable by MDC as a result of the Redomiciliation depends upon a number of considerations including the fair market value of its properties, the amount of its liabilities, the Canada-U.S. dollar exchange rate, MDC's **shareholder stockholder** composition, as well as certain Canadian tax attributes, accounts and balances of the Company, each as of the effective time of the Redomiciliation. We have not applied to the Canadian federal tax authorities for a tax ruling relating to the Redomiciliation and do not intend to do so, and the Canadian federal tax authorities may not agree with or may otherwise challenge our position on the tax treatment of the Redomiciliation, which could result in higher Canadian corporate tax liabilities than we anticipate. Any such adverse tax consequences could adversely affect our business, results of operation, financial condition and cash flows.

Risks Related to Ownership of Our Class A Common Stock and Our Status as a Public Company

Our stock price may be volatile.

The trading price of our Class A Common Stock **has fluctuated and may in the future** fluctuate substantially and may be lower than its current price. **This may be especially true for companies like ours with a small public float. If an active market for our securities develops and continues,** For example, since August 2, 2021 (the closing date of the **Transactions**), the trading price of our **securities could be volatile and subject Class A Common Stock on the Nasdaq Global Select Market has ranged from a low of \$3.83 per share to wide fluctuations, a high of \$11.04 per share.** The trading price of our securities depends on many factors, including those described elsewhere in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our securities since you might be unable to sell them at or above the price you paid for them. Any of the factors listed below could have a material adverse effect on your investment in our securities and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

Factors affecting the trading price of our securities **may** include (but are not limited to):

- market conditions in the broader stock market in general or in our industry in particular;
- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in the market's expectations about our operating results;
- the public's reaction to our press releases, other public announcements and filings with the **Securities and Exchange Commission; SEC;**
- rumors and speculation in the press or investment community or on social media about us, our clients or companies perceived to be similar to us;
- actual or anticipated developments in our business, competitors' businesses or the competitive landscape generally;
- the operating results failing to meet the expectation of securities analysts or investors in a particular period;
- our operating results failing to meet the guidance we may issue from time to time;
- changes in financial estimates and recommendations by securities analysts concerning us or the market in general;
- the timing of the achievement of objectives under our business plan and the timing and amount of costs we incur in connection therewith;
- short selling of our Class A Common Stock or related derivative securities;
- actions by hedge funds, short term investors, activist stockholders or stockholder representative organizations;
- operating and stock price performance of other companies that investors deem comparable to ours;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation or investigations involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of our Class A Common Stock available for public sale;
- any major change in our Board or management;

- sales of substantial amounts of our Class A Common Stock by our directors, officers or significant stockholders or the perception that such sales could occur;
- the extent to which retail and other individual investors (as distinguished from institutional investors), invest in our Class A Common Stock;
- sudden increases in the demand for our Class A Common Stock, including as a result of any “short squeezes”;
- speculative trading that is not primarily motivated by our announcements or the condition of our business;
- general economic and political conditions such as recessions or other economic downturns, inflation, interest rate increase, “trade wars,” pandemics and acts of war or terrorism and geopolitical tensions; and
- other risk factors described in this “Risk Factors” section.

Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general and Nasdaq in particular have experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our Class A Common Stock, may not be predictable. A loss of investor confidence in the market for the stocks of other companies which that investors perceive to be similar to ours could depress our stock price regardless of our business, prospects, financial condition or results of operations. Broad market and industry factors and any other global pandemics, as well as general economic, political and market conditions such as recessions or interest rate changes, may seriously affect significantly depress the market price of our Class A Common Stock, regardless of our actual operating performance. In addition, the trading price of our Class A Common Stock may be adversely affected by third parties trying to drive down or drive up the market price. Short sellers and others, some of whom post anonymously on social media, may be positioned to profit if our stock declines or otherwise exhibits volatility, and their activities can negatively affect our stock price and increase the volatility of our stock price. These broad market and industry factors could seriously harm the market price of our Common Stock, regardless of our operating performance. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

In addition, in the past, following periods of volatility in the overall market and the market prices of particular companies’ securities, securities class action litigations have often been instituted against these companies. Litigation of this type, if instituted against us, could result in substantial costs and a diversion of our management’s attention and resources. Any adverse determination in any such litigation or any amounts paid to settle any such actual or threatened litigation could require that we make significant payments.

If our operating and financial performance in any given period does not meet any guidance that we provide to the public, the market price for our Class A Common Stock may decline.

We have in the past provided, and may from time to time provide, guidance regarding our future performance that represents our management’s estimates as of the date such guidance is provided. Any such guidance is based upon a number of assumptions with respect to future business decisions (some of which may change) and estimates that, while presented with

numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies (many of which are beyond our control). Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions that inform such guidance will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date such guidance is provided. Actual results have in the past varied, and may in the future vary from such guidance, and the variations may be material. Investors should also recognize that the reliability of any forecasted financial data diminishes the farther in the future that the data is forecast. In light of the foregoing, investors should not place undue reliance on our financial guidance and should carefully

consider any guidance we may publish in context. In addition, in prior recent periods our operating or financial results have not met our guidance, or we have reduced our guidance. If in the future our operating or financial results for a particular period do not meet any guidance we provide or the expectations of investment analysts, or if we reduce our guidance for future periods, the market price of our Class A Common Stock may decline, decline significantly. In addition, even though we have issued public guidance in the past, we are not obligated to and may determine not to continue to do so in the future.

A significant portion of our Class A Common Stock is restricted from immediate resale but may be sold into the market in the future, which could negatively affect the market price of our Class A Common Stock.

As of December 31, 2022 December 31, 2023, Stagwell Media beneficially owned approximately 64% 56% of our outstanding shares of Class A Common Stock on an as-converted basis. Although the shares held by Stagwell Media are subject to securities law restrictions on sales by affiliates, we, Stagwell Media and certain other parties are party to a registration rights agreement pursuant to which, among other things and subject to certain restrictions, we are required to file (and have filed) with the Securities and Exchange Commission SEC a registration statement registering for resale the shares of our Class A Common Stock that are held by, or are issuable upon exchange of units of OpCo (in combination with corresponding shares of our Class C Common Stock) held by, such parties, and to conduct certain underwritten offerings upon the request of holders of registrable securities, including direct and indirect transferees of such holders. In addition, we are party to a securities purchase agreement pursuant to which we are required to register for resale the shares of Class A Common Stock issued to certain of our stockholders upon the conversion of our previously outstanding Series 8 convertible preferred stock.

As such, sales of a substantial number of shares of Class A Common Stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of Class A Common Stock.

We are a “controlled company” within the meaning of the applicable rules of Nasdaq and, as a result, qualify for exemptions from certain corporate governance requirements. Our stockholders will not have the same protections afforded to stockholders of companies that are not controlled companies, and the interests of our controlling stockholder may differ from the interests of other stockholders.

Our CEO and Chairman, Mark Penn, beneficially owns or controls approximately 64% 57% of the voting power of our Common Stock. As a result, we are a “controlled company” within the meaning of the Nasdaq rules, and as a result, we qualify for exemptions from certain corporate governance requirements. Under these rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements, including the requirements to have: (a) a majority of independent directors on the board; Board; (b) a nominating committee comprised solely of independent directors; (c) compensation of executive officers determined by a majority of the independent directors or a compensation committee comprised solely of independent directors; and (d) director nominees selected, or recommended for the selection by the board, Board, either by a majority of the independent directors or a nominating committee

comprised solely of independent directors. Although **as of the date of this prospectus**, we do not utilize any of these exemptions, we may elect to utilize one or more of these exemptions for so long as we remain a "controlled company." As a result, our stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements.

In addition, this concentration of ownership and voting power allows Mr. Penn to control our decisions, including matters requiring approval by our stockholders (such as, subject to certain limitations, the election of directors and the approval of mergers or other extraordinary transactions), regardless of whether or not other stockholders believe that the transaction is in their own best interests. Such concentration of voting power could also have the effect of delaying, deterring or precluding a change of control or other business combination that might otherwise be beneficial to our stockholders, could deprive our stockholders of an opportunity to receive a premium for their Class A Common Stock as part of a sale of our company and might ultimately affect the market price of our Class A Common Stock.

Securities or industry analysts may cease publishing research or reports about us, our business, or our market, or publish negative opinions about **our company **us** or the price of our Class A Common Stock, which could cause the price and trading volume of our Class A Common Stock to decline.**

The trading market for our Class A Common Stock is influenced by the research and reports that industry or securities analysts publish (or may publish) about us, our business and operations, our market or our competitors. If securities or industry analysts cease such coverage, or other analysts fail to commence coverage of us, our stock price and trading volume could be negatively impacted. In addition, we have no control over equity research analysts or the content of their reports, and if any of the analysts who cover, or may cover us in the future, make negative recommendations regarding our stock or issue other unfavorable commentary or research, or provide more favorable relative recommendations about our competitors, **including as a result of any failure to meet our guidance or errors in our financial statements or other disclosure**, the price and trading volume of our Class A Common Stock could decline.

There is no guarantee that an active and liquid public market for our securities will be sustained.

A liquid trading market for our Class A Common Stock may not be sustained. In the absence of a liquid public trading market:

- you may not be able to liquidate your investment in shares of our Class A Common Stock;
- you may not be able to resell your shares of our Class A Common Stock at or above the price you paid for them;
- the market price of shares of our Class A Common Stock may experience significant price volatility; and
- there may be less efficiency in carrying out your purchase and sale orders.

Additionally, if our Class A Common Stock becomes delisted from Nasdaq for any reason, the liquidity and price of our Class A Common Stock may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. You may be unable to sell your shares of Class A Common Stock unless a market can be sustained.

We do not intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of the Class A Common Stock.

We do not intend to declare and pay dividends on our common stock for the foreseeable future. We currently intend to invest future earnings, if any, to fund growth, to develop business, for working capital needs and for general corporate purposes. In addition, certain provisions of Delaware law and our outstanding indebtedness impose requirements that may restrict our ability to pay cash dividends on our common stock. Therefore, you are not likely to receive any cash dividends on shares of our Class A Common Stock for the foreseeable future, and the success of an investment in the shares of our Class A Common Stock will depend upon any future appreciation in their market price. The market price of shares of our Class A Common Stock may never appreciate and may decrease.

We may issue additional shares of our Class A Common Stock or other equity securities without **your stockholder approval, which would dilute your ownership interests and may depress the market price of your shares.**

We may issue additional shares of our Class A Common Stock or other equity securities **of equal or senior rank** in the future in connection with, among other things, future acquisitions, repayment of outstanding indebtedness or under our equity incentive plans, without stockholder approval, in a number of circumstances. Our issuance of additional shares of our Class A Common Stock or other equity securities **of equal or senior rank** could have the following effects:

- your proportionate ownership interest in us will decrease;
- the relative voting strength of each previously outstanding share of Class A Common Stock may be diminished; or
- the market price of our **stock** **Class A Common Stock** may decline.

Some provisions of Delaware law and our certificate of incorporation and bylaws may deter third parties from acquiring us and diminish the value of our Class A Common Stock.

In addition to protections afforded under the Delaware General Corporation Law ("DGCL"), or certificate of incorporation and bylaws contain provisions that could have the effect of delaying or preventing changes in control or changes in management or to our Board. These provisions include, among other things:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates; and
- the ability of our Board to issue shares of preferred stock in one or more series and, with respect to each such series, to fix the number of shares constituting such series and the designations, powers, preferences, rights, qualifications, limitations and restrictions in respect of the shares of such series, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer.

These provisions in our certificate of incorporation and our bylaws, as well as provisions of Delaware law, may discourage, delay or prevent a transaction involving a change in our control that is in the best interest of our minority stockholders. Even in

the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our Class A Common Stock if they are viewed as discouraging future takeover attempts. These provisions could also make it more difficult for stockholders to nominate directors for election to our Board and take other corporate actions and may also discourage acquisition proposals, or delay or prevent a change in control, which could depress the trading price of our Class A Common Stock.

Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by stockholders and designates the United States federal district courts as the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities

Act, which could limit the ability of our stockholders to obtain a favorable judicial forum for disputes with us or with our directors, officers or employees and may discourage stockholders from bringing such claims.

Our certificate of incorporation provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware will be the exclusive forum for:

- any derivative action or proceeding brought on behalf of our company;
- any action or proceeding asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee or stockholder of our company to us or our stockholders;
- any action or proceeding asserting a claim arising pursuant to any provision of the DGCL (or any successor provision thereto) or as to which the DGCL (or any successor provision thereto) confers jurisdiction on the Court of Chancery of the State of Delaware;
- any action or proceeding asserting a claim against us or any current or former director, officer or other employee of our company arising pursuant to any provision of the DGCL, our certificate of incorporation, or our bylaws (as each may be amended from time to time);
- any action asserting a claim governed by the internal affairs doctrine; or
- any other action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL.

For the avoidance of doubt, the foregoing provisions of our certificate of incorporation will not apply to any action or proceeding asserting a claim under the Securities Act of 1933, as amended (the "Securities Act") or the Exchange Act. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, 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 of 1933. Although investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder, any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our certificate of incorporation described in the preceding sentences.

These provisions of our certificate of incorporation could limit the ability of our stockholders to obtain a favorable judicial forum for certain disputes with us or with our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our current bylaws inapplicable to, or unenforceable in respect of, one or more of the types of actions or proceedings listed above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition and results of operations. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members and officers.

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the listing requirements of the Nasdaq Stock Market and other applicable securities rules and regulations. Compliance with these rules and regulations has increased our legal and financial compliance costs, made some activities more difficult, time-consuming or costly and increased demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. Maintaining Strengthening our disclosure controls and procedures and internal controls over financial reporting in accordance with this standard requires significant resources and management oversight. As a result, management's attention may be diverted from other business concerns, which could harm our business and results of operations. Although we have already hired additional employees to comply with these requirements, we may need to hire more employees in the future, which will increase our costs and expenses.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

Our approach to risk management is designed to identify, assess, prioritize and manage major risk exposures, including material risks from cybersecurity threats, that could affect our ability to execute our corporate strategy and fulfill our business objectives. We have implemented, and incorporated into our operations, cybersecurity risk management processes and technologies to protect the integrity, availability and confidentiality of our critical systems and information.

Key aspects of our cybersecurity risk management program include:

- Risk assessments designed to identify risks to our systems and information;
- An internal security team principally responsible for managing our cybersecurity risk assessment processes, response to cybersecurity incidents, and information technology security controls;
- Engaging third-party service providers to assist with network, endpoint and cloud system monitoring;
- Monitoring emerging data protection laws and implementing responsive changes to our processes;
- Annual cybersecurity awareness training for employees and enhanced cybersecurity management and incident response training for employees involved in systems or processes that handle sensitive data;
- Regular audits and tests of our information systems (including review and assessment by independent third-party advisors, who help identify areas for continued focus and improvement);
- Regular phishing email simulations for employees and contractors with access to our email systems;
- A third-party risk management process for service providers, suppliers and vendors, including those with access to our customer data, employee data, or our systems; and
- A cybersecurity incident response plan that includes detailed procedures for responding to cybersecurity incidents, including processes to triage, assess severity, escalate, contain, investigate and remediate cybersecurity incidents, as well as to comply with potentially applicable legal obligations and mitigate brand and reputational damage.

In addition, we maintain insurance to protect against potential losses arising from cybersecurity incidents.

Cybersecurity Governance and Oversight

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to its Audit Committee oversight of our cybersecurity risk management program. The Audit Committee receives quarterly reports from management on cybersecurity risks, risk assessment and risk management, and discusses those matters with management. In addition, management updates the Audit Committee on cybersecurity incidents. The Audit Committee also receives and discusses quarterly reports from management on the effectiveness of our information technology security controls.

Our information security team, including our Chief Technology Officer and our Senior Vice President Information Security, is responsible for day-to-day identification, assessment and management of the cybersecurity risks we face. The information security team also has primary responsibility for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants. The leaders of our information security team have over 40 years of combined experience in managing information security, developing cybersecurity strategy and implementing cybersecurity programs. The Chief Technology Officer is informed of and monitors the prevention, detection, mitigation and remediation of cybersecurity incidents through management of the cybersecurity risk management program described above, including our cybersecurity incident response plan. Our incident response plan is also designed, depending on the circumstances, to escalate cybersecurity incidents to other members of management, report cybersecurity incidents to the Audit Committee, and support public disclosure and reporting of material incidents.

Risks from Cybersecurity Threats

Cybersecurity threats and attacks are becoming more sophisticated and pose a risk to our systems and information. While, to date, we have not been subject to cybersecurity incidents that, individually or in the aggregate, have been material to our operations or financial condition, there can be no guarantee that we will not experience such an incident in the future. For more information regarding the cybersecurity-related risks we face, see "Risk Factors - Risks Related to Data Privacy and Cybersecurity."

Item 2. Properties

See Note 10 of the Notes to the Audited Consolidated Financial Statements (the "Notes") included herein included in this **Annual Report Form 10-K** for a discussion of the Company's lease commitments.

The Company maintains office space in North America, **Africa**, Europe, Asia, South America, **Africa**, and Australia. This space is primarily used for office and administrative purposes by the Company's employees in performing professional services. This office space is in suitable and well-maintained condition for Stagwell's current operations. Certain of these leases are subject to rent reviews or contain various escalation clauses and certain of our leases require our payment of various operating expenses, which may also be subject to escalation. In addition, leases related to the Company's non-U.S. businesses are denominated in currencies other than U.S. dollars and are therefore subject to changes in foreign exchange rates.

The table below provides a brief description of all locations in which office space is maintained and the related reportable segment.

Reportable Segment	Office Locations
Integrated Agencies Network	Argentina, Australia, California, Canada, China, Connecticut, Florida, Georgia, Germany, Illinois, India, Indiana, Michigan, Minnesota, Netherlands, New York, Netherlands, Oregon, Pennsylvania, Philippines, and United Kingdom and Virginia
Brand Performance Network	Australia, Brazil, California, Canada, China, Colorado, Denmark, Egypt, France, Japan, Florida, Germany, France, Hong Kong, India, Italy, Ireland, Japan, Korea, Maryland, Mexico, Netherlands, New York, Poland, Singapore, South Carolina, Spain, Sweden, Taiwan, Texas, United Kingdom, United Arab Emirates, Utah, and Virginia
Communications Network	Arizona, California, China, Georgia, Germany, Japan, Massachusetts, Minnesota, North Carolina, Oregon, New York, Singapore, Thailand, and Virginia, Washington, and Washington D.C.
All Other	Argentina, Canada, Illinois, and United Kingdom
Corporate	California, Canada, Florida, New York, United Kingdom, Washington, and Washington D.C.

Item 3. Legal Proceedings

In the ordinary course of business, we are involved in various legal proceedings. We do not currently expect that these proceedings will have a material adverse effect on our results of operations, cash flows or financial position.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information and Holders

Our Class A Common Stock is traded on the Nasdaq Global Select Market, under the symbol "STGW." There is no established public trading market for our Class B common stock, par value \$0.001 per share (the "Class B Common Stock"), or Class C Common Stock. As of February 28, 2023 March 1, 2024, the approximate number of registered holders of record of our Class A Common Stock, Class B Common Stock and Class C Common Stock, including those whose shares are held in a nominee name, was 525, 60, 650 and 1, respectively.

Dividends

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our Board, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions, and other factors that the Board may deem relevant.

Unregistered Sales of Equity Securities

In the three months ended December 31, 2022 December 31, 2023, the Company granted 751,784 62,704 restricted stock units underlying shares of Class A Common Stock as inducement for employment and issued 4,677,614 shares of Class A Common Stock as purchase consideration in connection with acquisitions and for additional interests in subsidiaries, in transactions exempt from registration under Section 4(a)(2) of the Securities Act. Of these, 68,452 shares were granted to employees as inducement for employment, 100,000 shares were issued to a member of management of a subsidiary for payment in the acquisition of the remaining interest in the majority-owned subsidiary, 174,999 shares were issued as purchase consideration in connection with the acquisition of a company and 408,333 shares were issued to the previous owners of this company with vesting conditions based upon continued employment. The Company received no cash proceeds and no commissions were paid to any person in connection with the issuance sale of these shares.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

On March 1, 2023, the Board authorized an extension and a \$125,000,000 increase in the size of our previously approved stock repurchase program (the "Repurchase Program"). Under the Repurchase Program, as amended, we may repurchase up to an aggregate of \$250,000,000 of shares of our outstanding Class A Common Stock, with any previous purchases under the Repurchase Program continuing to count against that limit. The Repurchase Program will expire on March 1, 2026. Under the Repurchase Program, share repurchases may be made at our discretion from time to time in open market transactions at prevailing market prices (including through trading plans that may be adopted in accordance with Rule 10b5-1 of the Exchange Act), in privately negotiated transactions, or through other means. The timing and number of shares repurchased under the Repurchase Program will depend on a variety of factors, including the performance of our stock price, general market and economic conditions, regulatory requirements, the availability of funds, and other considerations we deem relevant. The Repurchase Program may be suspended, modified or discontinued at any time without prior notice. Our board of directors Board will review the Repurchase Program periodically and may authorize adjustments of its terms. Pursuant to its Combined Credit Agreement (as defined and

discussed in Note 11 of the Notes included herein) and the indenture governing the 5.625% Notes, the Company is currently limited as to the dollar value of shares it may repurchase in the open market.

The following table details our monthly shares repurchased during the fourth quarter of 2022 2023 and the approximate dollar value of shares that may yet be purchased pursuant to the Repurchase Program:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Program
10/1/2022 - 10/31/2022	993,829	\$ 7.37	967,718	\$ 89,111,111
11/1/2022 - 11/30/2022	1,040,262	7.54	1,040,262	81,337,610
12/1/2022 - 12/31/2022	1,680,539	6.42	1,180,353	73,309,347
Total	3,714,630	\$ 7.11	3,188,333	\$ 73,309,347

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Program ⁽²⁾	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Program ⁽²⁾
10/1/2023 - 10/31/2023	44,082	\$ 4.73	—	\$ 155,660,866
11/1/2023 - 11/30/2023	1,894,048	4.83	1,888,809	146,505,476
12/1/2023 - 12/31/2023	2,008,873	6.03	1,367,410	138,622,130
Total	3,947,003	\$ 5.44	3,256,219	\$ 138,622,130

⁽¹⁾ Includes 526,297 information for all shares repurchased by the Company, including shares repurchased as part of the Company's publicly announced Repurchase Program, and 690,784 shares to settle employee tax withholding obligations related to the vesting of restricted stock awards and restricted stock units.

⁽²⁾ Only includes information for shares repurchased as part of the Company's publicly announced Repurchase Program.

Item 6. Selected Financial Data

Not Applicable. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis are based on and should be read in conjunction with our audited consolidated financial statements Audited Consolidated Financial Statements and the notes thereto included elsewhere in this Form 10-K. The following discussion and analysis contains forward-looking statements and should be read in conjunction with the disclosures and information contained and referenced under the captions "Forward-Looking Statements" and "Risk Factors" in this Form 10-K. The following discussion and analysis also includes a discussion of certain non-GAAP financial measures. A description of the non-GAAP financial measures discussed in this section and reconciliations to the comparable GAAP measures are below.

In this section, the terms "Stagwell," "we," "us," "our" and the "Company" refer (i) with respect to events occurring or periods ending before August 2, 2021, to Stagwell Marketing Group LLC ("Stagwell Marketing" or "SMG") and its direct and indirect subsidiaries and (ii) with respect to events occurring or periods ending on or after August 2, 2021, to Stagwell Inc. and its direct and indirect subsidiaries. References to a "fiscal year" mean the Company's year commencing on January 1 of that year and ending December 31 of that year (e.g., fiscal 2022 2023 means the period beginning January 1, 2022 January 1, 2023, and ending December 31, 2022 December 31, 2023).

For similar operating and financial data and discussion of the Company's year ended December 31, 2021, refer to Part II Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K that was filed with the SEC on March 6, 2023.

Executive Summary

Overview

Stagwell conducts its business through its networks, which provide marketing and business solutions that realize the potential of combining data and creativity. Stagwell's strategy is to build, grow and acquire market-leading businesses that deliver the modern suite of services that marketers need to thrive in a rapidly evolving business environment. Stagwell's differentiation lies in its creative roots and proven entrepreneurial leaders, which together with innovations in technology and data, bring transformational marketing, activation, communications and strategic consulting services to clients. Stagwell leverages its range of services in an integrated manner, offering strategic, creative and innovative

solutions that are technologically forward and media-agnostic. The Company's work strategy is designed intended to challenge the industry status quo, realize outsized returns on investment, and drive transformative growth and business performance for its clients and stakeholders.

Stagwell manages its business by monitoring several financial and non-financial performance indicators. The key indicators that we focus on are revenue, operating expenses, capital expenditures and the non-GAAP financial measures described below. Revenue growth is analyzed by reviewing a mix of measurements, including (i) growth by major geographic location, (ii) growth from existing clients and the addition of new clients, (iii) growth by principal capability, (iv) growth from currency changes, and (v) growth from acquisitions. In addition to monitoring the foregoing financial indicators, the Company assesses and monitors several non-financial performance indicators relating to the business performance of our networks. These indicators may include a network's recent new client win/loss record; the depth and scope of a pipeline of potential new client account activity; the overall quality of the services provided to clients; and the relative strength of the network's next generation team that is in place as part of a potential succession plan to succeed the current senior executive team.

Business Combination Revision of Previously Issued Consolidated Financial Statements

On December 21, 2020, MDC and Stagwell Media LP announced that they had entered into the Transaction Agreement, providing for the combination of MDC with the "Stagwell Subject Entities." The Stagwell Subject Entities comprised Stagwell Marketing and its direct and indirect subsidiaries.

On August 2, 2021 (the "Closing Date"), we completed the Transactions. In connection with the Transactions, among other things, (i) MDC completed a series of transactions pursuant to which it emerged as a wholly owned subsidiary preparation of the Company, converted into OpCo; (ii) Stagwell Media contributed the equity interests of Stagwell Marketing and its direct and indirect subsidiaries to OpCo; and (iii) consolidated financial statements during 2023, the Company converted into a Delaware corporation, succeeded MDC as identified errors in the publicly-traded company areas of income taxes, noncontrolling interests, and changed accumulated other comprehensive loss related to its name to Stagwell Inc.

previously filed 2022 financial statements. The Transactions were treated as a reverse acquisition for Company revised the 2022 annual financial reporting purposes, with MDC treated as the legal acquirer statements in its 2023 Form 10-K. See Notes 1, 21 and Stagwell Marketing treated as the accounting acquirer. As a result of the Transactions and the change in our business and operations, under applicable accounting principles, the historical financial results of Stagwell Marketing prior to August 2, 2021 are considered our historical financial results. Accordingly, historical information presented in this Form 10-K for events occurring or periods ending before August 2, 2021 does not reflect the impact of the Transactions and may not be comparable with historical information for events occurring or periods ending on or after August 2, 2021, which do not include the financial results of MDC. See Note 4 22 of the Notes included herein for additional information regarding the Transactions, correction of the errors.

Recent Developments

On March 1, 2023 January 2, 2024, the Board authorized an extension and a \$125.0 million increase in the size Company acquired 100% of the Repurchase Program interests in Team Epiphany, LLC., for \$15.8 million of which \$10.8 million was paid in cash and 798,000 shares of Class A Common Stock, par value \$0.001 per share (the "Class A Common Stock"), subject to an aggregate post-closing adjustments. In connection with the acquisition, the sellers are entitled to contingent consideration up to a maximum value of \$250.0 million \$17.0 million, subject to continued employment and meeting certain future earnings targets, of which a portion may be settled in shares of Class A Common Stock at the Company's discretion.

On March 1, 2024, the Company acquired 100% of the interests in Sidekick Live Limited., for £4.5 million of which £3.6 million (approximately \$4.6 million) was paid in cash and 195,000 shares of Class A Common Stock, par value \$0.001 per share, subject to post-closing adjustments. In connection with any previous purchases under the Repurchase Program continuing acquisition, the sellers are entitled to count against that limit. The Repurchase Program, as amended, will expire on March 1, 2026. contingent consideration up to a maximum value of £8.0 million (approximately \$10.2 million), subject to continued employment requirements and meeting certain future earnings targets, of which a portion may be settled in shares of Class A Common Stock at the Company's discretion.

Significant Factors Affecting our Business and Results of Operations

The most significant factors affecting our business and results of operations include national, regional, and local economic conditions, our clients' profitability, mergers and acquisitions of our clients, changes in top management of our clients and our ability to retain and attract key employees. New business wins and client losses occur due to a variety of factors. The two most significant factors are (i) our clients' desire to change marketing communication firms, and (ii) the digital and data-driven products that our Brands portfolio of marketing services firms, which we refer to as "Brands," offer. A client may choose to change marketing communication firms for several reasons, such as a change in leadership where new management wants to retain a Brand that it may have previously worked with. In addition, if

the client is merged or acquired by another company, the marketing communication firm is often changed. Clients also change firms as a result of the firm's failure to meet marketing performance targets or other expectations in client service delivery.

Seasonality

Historically, we typically generate the highest quarterly revenue during the fourth quarter in each year. In addition, within our Communications Network, client concentration increases during election years due to the cyclical nature of our advocacy Brands. The highest volumes of retail related consumer marketing increase with the back-to-school season through the end of the holiday season.

Non-GAAP Financial Measures

The Company reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP"). In addition, the Company has included non-GAAP financial measures and ratios, which management uses to operate the business, which it believes provide useful supplemental information to both management and readers of this report in making period-to-period comparisons in measuring the financial performance and financial condition of the Company. These measures do not have a standardized meaning prescribed by GAAP and should not be construed as an alternative to other titled measures determined in accordance with GAAP. The non-GAAP financial measures included are "net revenue," "organic net revenue growth or decline, (decline)," "Adjusted EBITDA," and "Adjusted Diluted EPS."

"Net revenue" refers to revenue excluding billable costs. The Company believes billable costs and their fluctuations are not indicative of the operating performance of its underlying business.

"Organic net revenue growth" and "organic growth (decline)" reflects the year-over-year change in the Company's reported net revenue decline" refer attributable to the positive or negative results, respectively, Company's management of subtracting both the foreign exchange and acquisition (disposition) components from total revenue growth. The acquisition (disposition) component is calculated by aggregating prior period revenue for any acquired businesses, less the prior period revenue of any businesses that were disposed of during the current period. The entities it owns. We calculate organic net revenue growth (decline) component by subtracting the net impact of acquisitions (divestitures) and the impact of foreign currency exchange fluctuations from the aggregate year-over-year increase or decrease in the Company's reported net revenue.

The net impact of acquisitions (divestitures) reflects the constant currency year-over-year change in the Company's reported net revenue attributable to the impact of all individual entities that were acquired or divested in the current and prior year. We calculate impact of an acquisition as follows: (a) the change in revenue of the Brands that the Company has held throughout each of the comparable periods presented, and (b) "Net acquisitions (divestitures)." Net acquisitions (divestitures) consists of (i) for acquisitions an entity acquired during the current year, we present the entity's prior year net revenue effect from such acquisition for the same period during which we owned it in the current year as if impact of the acquisition had been owned during in the equivalent period current year; and (b) for an entity acquired in the prior year, and (ii) for acquisitions during we present the previous year, the revenue effect from such acquisitions as if they had been owned during that entire year (or the same entity's prior year period as the current reportable period), taking into account their respective pre-acquisition revenues net revenue for the applicable periods, and (iii) for dispositions, period during which we did not own the revenue effect from such disposition as if they had been disposed of during the equivalent period entity in the prior year as impact of the acquisition in the current year. We calculate impact of a divestiture as follows: (a) for a divestiture in the current year, we present the entity's prior year net revenue for the same period during which we no longer owned it in the current year as impact of the divestiture in the current year; and (b) for a divestiture in the prior year, we present the entity's prior year net revenue for the period during which we owned it in the prior year as impact of the divestiture in the current year. We calculate the impact of any acquisition or divestiture without adjusting for foreign currency exchange fluctuations.

The impact of foreign currency exchange fluctuations reflects the year-over-year change in the Company's reported net revenue attributable to changes in foreign currency exchange rates. We calculate the impact of foreign currency exchange fluctuations for the portion of the reporting period in which we recognized revenue from a foreign entity in both the current year and the prior year. The impact is calculated as the difference between (1) reported prior period net revenue (converted to U.S. dollars at historical foreign currency exchange rates) and (2) prior period net revenue converted to U.S. dollars at current period foreign exchange rates.

"Adjusted EBITDA EBITDA" is defined as Net income (loss) attributable to Stagwell Inc. common shareholders excluding non-operating income or expense to achieve operating income (loss), plus depreciation and amortization, stock-based compensation, deferred acquisition consideration adjustments, and other items. Other items include restructuring costs, acquisition-related expenses, and non-recurring items. Adjusted EBITDA for our reportable segments is reconciled to Operating Income (Loss), as Net Income (Loss) is not a relevant reportable segment financial metric.

"Adjusted Diluted EPS EPS" is defined as (i) Net income (loss) attributable to Stagwell Inc. common shareholders, plus net income (loss) attributable to Class C shareholders, excluding the impact of amortization expense, impairment and other losses, stock-based compensation, deferred acquisition consideration adjustments, discrete tax items, and other items, based on total consolidated amounts, then allocated to Stagwell Inc. common shareholders and Class C shareholders, based on their respective income allocation percentage using a normalized effective income tax rate divided by (ii) (a) the weighted average number of common shares outstanding plus (b) the weighted average number of shares of Class C Common Stock outstanding. Other items includes include restructuring costs, acquisition-related expenses, and non-recurring items. The diluted weighted average shares outstanding include shares of Class C Common Stock as if converted to shares of Class A Common Stock to calculate Adjusted Diluted EPS.

All amounts are in dollars unless otherwise stated. Amounts reported in millions herein are computed based on the amounts in thousands. As a result, the sum of the components, and related calculations, reported in millions may not equal the total amounts due to rounding.

The percentage changes included in the tables in Item 7 herein that are not considered meaningful are presented as "NM."

Segments

The Company determines an operating segment if a component (i) engages in business activities from which it earns revenues and incurs expenses, (ii) has discrete financial information, and is (iii) regularly reviewed by the Chief Operating Decision Maker ("CODM"), who is Mark Penn, Chief Executive Officer and Chairman, to make decisions regarding resource allocation for the segment and assess its performance. Once operating segments are identified, the Company performs an analysis to determine if aggregation of operating segments is applicable. This determination is based upon a quantitative analysis of the expected and historic average long-term profitability for each operating segment, together with a qualitative assessment to determine if operating segments have similar operating characteristics.

The CODM uses Adjusted EBITDA as a key metric, to evaluate the operating and financial performance of a segment, identify trends affecting the segments, develop projections and make strategic business decisions.

Due The Company made changes to changes in the Company's its internal management and reporting structure in the second first quarter of 2022, 2023, resulting in an update to our reportable segment results for periods segments (Networks). The change in reportable segments was that Mono, previously in the Integrated Agencies Network, is now within Allison & Partners in the Communications Network, Storyline (a Brand specializing in research and survey generation), previously in the Communications Network, is now within Constellation in the Integrated Agencies Network. Periods presented prior to the second first quarter of 2022 2023 have been recast to reflect the reclassification of certain reporting units (Brands) between operating segments. The changes in reportable segments were that the Forsman & Bodenfors, Observatory, Crispin Porter Bogusky, Bruce Mau and Vitro Brands, previously within the Integrated Agencies Network, are now within the Stagwell Brand Performance Network.

The Company has three reportable segments as follows: "Integrated Agencies Network," "Brand Performance Network" and the "Communications Network." In addition, the Company combines and discloses operating segments that do not meet the aggregation criteria, and includes the elimination of certain intercompany services, as "All Other." The Company also reports corporate expenses, as further detailed below, as "Corporate." All segments follow the same basis of presentation and accounting policies. See policies as

those described throughout the Notes to the Audited Consolidated Financial Statements included herein and in Note 2 of the Notes included herein for to the Company's significant accounting policies; Audited Consolidated Financial Statements included in this Form 10-K.

In addition, Stagwell reports its corporate office expenses incurred in connection with the strategic resources provided to the networks, as well as certain other centrally managed expenses that are not fully allocated to the operating segments as Corporate. Corporate provides client and business development support to the networks as well as certain strategic resources, including accounting, administrative, financial, real estate, human resource and legal functions.

The following discussion focuses on the operating performance of the Company for the years ended December 31, 2022 December 31, 2023 and 2021 2022 and the financial condition of the Company as of December 31, 2022.

For similar operating and financial data and discussion of the Company's year ended December 31, 2021 results compared to the Company's year ended December 31, 2020 results, refer to Part II. Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K that was filed with the SEC on March 17, 2022, including the sections entitled "Result of Operations — Twelve Months Ended December 31, 2021 Compared to Twelve Months Ended December 31, 2020" and "Liquidity — Cash Flows" December 31, 2023.

Results of Operations:

		Year Ended December 31,		
		2022	2021	2020
		(dollars in thousands)		
		Year Ended December 31, Year Ended December 31, Year Ended December 31,		
2023		2023		
		2022		
		(dollars in thousands)		
Revenue:		Revenue:		
Integrated Agencies Network		Integrated Agencies Network		
Integrated Agencies Network	Integrated Agencies Network	\$1,479,802	\$ 770,056	\$221,595
Brand Performance Network	Brand Performance Network	757,208	424,632	262,362
Communications Network	Communications Network	430,820	248,832	382,815
All Other	All Other	19,962	25,843	21,260
Total Revenue	Total Revenue	\$2,687,792	\$1,469,363	\$888,032
Operating Income	Operating Income	\$ 159,228	\$ 44,726	\$ 83,740
Operating Income		Operating Income		
Other Income (Expenses):		Other Income (Expenses):		
Other Income (Expenses):		Other Income (Expenses):		
Interest expense, net		Interest expense, net		
Interest expense, net	Interest expense, net	(76,062)	(31,894)	(6,223)

Foreign exchange, net	Foreign exchange, net	(2,606)	(3,332)	(721)
Gain on sale of business				
Other, net	Other, net	(7,059)	50,058	544
Income before income taxes and equity in earnings of non-consolidated affiliates	Income before income taxes and equity in earnings of non-consolidated affiliates	73,501	59,558	77,340
Income tax expense	Income tax expense	7,580	23,398	5,937
Income before equity in earnings of non-consolidated affiliates	Income before equity in earnings of non-consolidated affiliates	65,921	36,160	71,403
Equity in income (loss) of non-consolidated affiliates		(79)	(240)	58
Equity in (loss) of non-consolidated affiliates				
Net income	Net income	65,842	35,920	71,461
Net income attributable to noncontrolling and redeemable noncontrolling interests		(38,573)	(14,884)	(15,105)
Net (income) loss attributable to noncontrolling and redeemable noncontrolling interests				
Net income attributable to Stagwell Inc. common shareholders	Net income attributable to Stagwell Inc. common shareholders	\$ 27,269	\$ 21,036	\$ 56,356
Reconciliation to Adjusted EBITDA:	Reconciliation to Adjusted EBITDA:			
Reconciliation to Adjusted EBITDA:				
Reconciliation to Adjusted EBITDA:				
Net income attributable to Stagwell Inc. common shareholders				
Net income attributable to Stagwell Inc. common shareholders				
Net income attributable to Stagwell Inc. common shareholders	Net income attributable to Stagwell Inc. common shareholders	\$ 27,269	\$ 21,036	\$ 56,356
Non-operating items ⁽¹⁾	Non-operating items ⁽¹⁾	131,959	23,690	27,384

Operating income	Operating income	159,228	44,726	83,740
Depreciation and amortization	Depreciation and amortization	131,273	77,503	41,025
Impairment and other losses	Impairment and other losses	122,179	16,240	—
Stock-based compensation	Stock-based compensation	33,152	75,032	—
Deferred acquisition consideration	Deferred acquisition consideration	(13,405)	18,721	4,497
Other items, net	Other items, net	18,691	21,430	13,906
Adjusted EBITDA	Adjusted EBITDA	\$ 451,118	\$ 253,652	\$143,168

(1) Non-operating items includes items within the Statements of Operations, below Operating Income, and above Net income attributable to Stagwell Inc. common shareholders.

(1) Non-operating items includes items within the Statements of Operations, below Operating Income, and above Net income (loss) attributable to Stagwell Inc. common shareholders.

(1) Non-operating items includes items within the Statements of Operations, below Operating Income, and above Net income (loss) attributable to Stagwell Inc. common shareholders.

(1) Non-operating items includes items within the Statements of Operations, below Operating Income, and above Net income (loss) attributable to Stagwell Inc. common shareholders.

YEAR ENDED DECEMBER 31, 2022 2023 COMPARED TO YEAR ENDED DECEMBER 31, 2021 2022

Consolidated Results of Operations

The components of operating results for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022 were as follows:

	Year Ended December 31,		
	2022	2021	Change
	(dollars in thousands)		
			\$ %

	Year Ended December 31,
	Year Ended December 31,
	Year Ended December 31,
	2023
	2023
	2023
	(dollars in thousands)
	(dollars in thousands)
	(dollars in thousands)
	\$
	\$
	\$
Revenue	
Revenue	

Revenue	Revenue	\$2,687,792	\$1,469,363	\$1,218,429	82.9 %
Operating Expenses	Operating Expenses				
Operating Expenses					
Operating Expenses					
Cost of services					
Cost of services					
Cost of services	Cost of services	1,673,576	906,856	766,720	84.5 %
Office and general expenses	Office and general expenses	601,536	424,038	177,498	41.9 %
Office and general expenses					
Office and general expenses					
Depreciation and amortization					
Depreciation and amortization					
Depreciation and amortization	Depreciation and amortization	131,273	77,503	53,770	69.4 %
Impairment and other losses	Impairment and other losses	122,179	16,240	105,939	NM
		\$2,528,564	\$1,424,637	\$1,103,927	77.5 %
Operating income		\$ 159,228	\$ 44,726	\$ 114,502	NM
Impairment and other losses					
Impairment and other losses					
		-			
		\$			
		-			
		\$			
		-			
Operating Income					
Operating Income					
Operating Income					
Year Ended December 31,					
		2022	2021	Change	
(dollars in thousands)					
		\$		%	
Year Ended December 31,					
Year Ended December 31,					
Year Ended December 31,					
		2023			
		2023			
		2023			
(dollars in thousands)					
(dollars in thousands)					
(dollars in thousands)					
		\$			
		\$			

\$						
Net Revenue						
Net Revenue						
Net Revenue	Net Revenue	\$2,222,153	\$1,268,937	\$ 953,216	75.1 %	
Billable costs	Billable costs	465,639	200,426	265,213	NM	
Billable costs						
Billable costs						
Revenue						
Revenue						
Revenue	Revenue	2,687,792	1,469,363	1,218,429	82.9 %	
Billable costs	Billable costs	465,639	200,426	265,213	NM	
Billable costs						
Billable costs						
Staff costs						
Staff costs						
Staff costs	Staff costs	1,392,535	790,121	602,414	76.2 %	
Administrative costs	Administrative costs	256,755	144,294	112,461	77.9 %	
Administrative costs						
Administrative costs						
Unbillable and other costs, net						
Unbillable and other costs, net						
Unbillable and other costs, net	Unbillable and other costs, net	121,745	80,870	40,875	50.5 %	
Adjusted EBITDA	Adjusted EBITDA	451,118	253,652	197,466	77.8 %	
Adjusted EBITDA						
Adjusted EBITDA						
Stock-based compensation						
Stock-based compensation						
Stock-based compensation	Stock-based compensation	33,152	75,032	(41,880)	(55.8)%	
Depreciation and amortization	Depreciation and amortization	131,273	77,503	53,770	69.4 %	
Depreciation and amortization						
Depreciation and amortization						
Deferred acquisition consideration						
Deferred acquisition consideration						
Deferred acquisition consideration	Deferred acquisition consideration	(13,405)	18,721	(32,126)	NM	
Impairment and other losses	Impairment and other losses	122,179	16,240	105,939	NM	
Impairment and other losses						
Impairment and other losses						
Other items, net						
Other items, net						

Other items, net	Other items, net	18,691	21,430	(2,739)	(12.8)%
Operating Income ⁽¹⁾	Operating Income ⁽¹⁾	\$ 159,228	\$ 44,726	\$ 114,502	NM

Operating Income ⁽¹⁾

Operating Income ⁽¹⁾

⁽¹⁾ See the Results of Operations section above for a reconciliation of Operating Income to Net Income attributable to Stagwell Inc. common shareholders.

⁽¹⁾ See the Results of Operations section above for a reconciliation of Operating Income to Net income (loss) attributable to Stagwell Inc. common shareholders.

⁽¹⁾ See the Results of Operations section above for a reconciliation of Operating Income to Net income (loss) attributable to Stagwell Inc. common shareholders.

⁽¹⁾ See the Results of Operations section above for a reconciliation of Operating Income to Net income (loss) attributable to Stagwell Inc. common shareholders.

Revenue

Revenue for the year ended **December 31, 2022** December 31, 2023 was **\$2,687.8 million** **\$2,527.2 million**, compared to **\$1,469.4 million** **\$2,687.8 million** for the year ended **December 31, 2021** December 31, 2022, an increase a decrease of **\$1,218.4 million** **\$160.6 million**.

Net Revenue

The components of the fluctuations in net revenue for the year ended **December 31, 2022** December 31, 2023 compared to the year ended **December 31, 2021** December 31, 2022 were as follows:

		Year Ended December 31, 2021	Net Revenue - Components of Change						Change		
			Foreign Currency	Net Acquisitions (Divestitures)	Organic	Total Change	Year Ended December 31, 2022	Organic	Total		
(dollars in thousands)											
			Net Revenue - Components of Change								
			Net Revenue - Components of Change								
			Net Revenue - Components of Change								
		Year Ended December 31, 2022									
		Year Ended December 31, 2022									
		Year Ended December 31, 2022									
		Year Ended December 31, 2022									
(dollars in thousands)											
(dollars in thousands)											
(dollars in thousands)											
Integrated Agencies Network											
Integrated Agencies Network											
Integrated Agencies Network	Integrated Agencies Network	\$ 683,563	\$ (4,467)	\$ 458,712	\$ 109,560	\$ 563,805	\$ 1,247,368	16.0	%	82.5	%
Brand Performance Network	Brand Performance Network	393,481	(9,542)	188,168	95,775	274,401	667,882	24.3	%	69.7	%
Brand Performance Network											

Brand Performance Network											
Communications Network											
Communications Network											
Communications Network	Communications Network	166,050	(484)	51,460	69,915	120,891	286,941	42.1	%	72.8	%
All Other	All Other	25,843	(835)	(4,616)	(430)	(5,881)	19,962	(1.7)	%	(22.8)	%
		\$ 1,268,937	\$ (15,328)	\$ 693,724	\$ 274,820	\$ 953,216	\$ 2,222,153	21.7	%	75.1	%
All Other											
All Other											
		\$2,222,153									
		\$2,222,153									
		\$2,222,153									
Component % change	Component % change		(1.2)%	54.7%	21.7%	75.1%					
Component % change											
Component % change											

For the year ended December 31, 2022 December 31, 2023, organic net revenue increased \$274.8 million decreased \$130.7 million, or 21.7% 5.9%. The Overall, the macroeconomic uncertainty challenged the industry in 2023. This contributed to certain clients pausing projects and reducing spend, specifically in the communications, retail, and technology sectors. In addition, the loss of clients also contributed to the decline in organic revenue growth was primarily attributable to increased spending by existing clients and business with new clients, as well as higher public relations business due to advocacy services, as these are typically higher during election years. net revenue. The increase in net acquisitions (divestitures) was primarily driven by the acquisition acquisitions of MDC, Maru Group Limited Ltd. ("Maru"), Epicenter Experience LLC, ("Epicenter"), TMA Direct, Inc. ("TMA Direct"), Brand New Galaxy ("BNG"), Huskies, Ltd. ("Huskies"), Left Field Labs, LLC ("LFL") and Wolfgang, LLC ("Wolfgang"), partially offset by the sale of ConcentricLife.

The geographic mix in net revenues for the years ended December 31, 2022 December 31, 2023 and 2021 2022 was as follows:

Year Ended December 31,		Year Ended December 31,	
Year Ended December 31,		2023	2022
2022 2021			
(dollars in thousands)			
(dollars in thousands)		(dollars in thousands)	
United States	United States	\$1,790,776	\$1,039,934
United Kingdom	United Kingdom	175,422	101,900
Other	Other	255,955	127,103
Total	Total	\$2,222,153	\$1,268,937

Impairment and Other Losses

Impairment and Other Losses for the year ended December 31, 2023 was \$11.4 million. This was primarily attributable to a charge of \$10.0 million to reduce the carrying value of four of its right-of-use lease assets and related leasehold improvements. The right-of-use lease assets and related leasehold improvements related to three agencies within the Integrated Agencies Network and one agency within the Brand Performance Network.

The Company recognized an impairment and other losses charge of \$122.2 million \$122.2 million for the year ended December 31, 2022, primarily related to the impairment of goodwill totaling \$116.7 million, and impairment of right-of-use leases lease assets and intangible assets.

related leasehold improvements totaling \$2.6 million. The Company recognized a charge of \$116.7 million of goodwill impairment was to write-down the carrying value in excess of the fair value of eight reporting units, two within the Integrated Agencies Network, five within the Brand Performance Network, and one within the All Other category. Network. The expense was recorded within Impairment and other losses on the Consolidated Statements of Operations.

The Company recognized a charge of \$2.6 million to reduce the carrying value of three of its right-of-use lease assets and related leasehold improvements. These right-of-use lease assets related improvements impairment was to write-down the carrying value in excess of the fair value of three agencies, one within the Integrated Agencies Network and two within the Brand Performance Network. This impairment charge is included in Impairment and other losses within the Consolidated Statements of Operations.

The Company recognized a charge of \$1.4 million to reduce the carrying values of intangible assets within the Integrated Agencies Network and Brand Performance Network reportable segments primarily in connection with the abandonment of certain trade names as part of the integration of certain entities. The impairment charge was recorded within Impairment and other losses on the Consolidated Statements of Operations

During the year ended December 31, 2021, the Company recognized an impairment and other loss of \$16.2 million in connection with a write-down of trade names no longer in use.

Operating Income

Operating income for the year ended December 31, 2022 December 31, 2023 was \$159.2 million \$90.5 million, compared to \$44.7 million \$159.2 million for the year ended December 31, 2021 December 31, 2022, representing an increase a decrease of \$114.5 million \$68.7 million.

The change in Operating income for the year ended December 31, 2022 Income was impacted primarily attributable to a decrease in Revenue, Cost of services, and impairment and other losses, partially offset by an increase in revenue Office and general expenses, from existing operations and Depreciation and amortization.

The decrease in Cost of services was primarily attributable to lower billable costs commensurate with lower revenues, partially offset by an increase in unbillable costs primarily due to the acquisition of MDC, Maru, and an increase in stock-based compensation expense.

Stock-based The increase in Office and general expenses was primarily attributable to an increase in stock-based compensation expense, occupancy-related expenses, deferred acquisition consideration, and computer software and licensing fees, partially offset by a decrease in bad debt expense. Bad debt expense decreased primarily driven by awards issued due to employees recovered funds that were previously written off.

Occupancy-related expenses increased primarily due to nonrecurring credits incurred in the third quarter of 2021, in connection with the acquisition of MDC, that fully vested in the third quarter of 2021 and the first quarter of 2022 partially offset by awards issued connected with a benefit associated with the initiative to consolidate real estate in 2022. New York City.

Deferred acquisition consideration decreased increased \$26.5 million, primarily attributable to acquisitions of Tinsel, Left Field Labs, and Movers and Shakers. In addition, deferred acquisition consideration increased due to a decline the reduction in the fair value associated with a Brand in which of the deferred acquisition consideration liability originated that occurred in 2022, associated with a certain Brand. The total increase in the fourth quarter deferred acquisition consideration was partially offset by the reduction in fair value of 2021 from certain Brands in 2023.

Stock-based compensation increased \$24.0 million primarily attributable to new awards granted in 2023, the purchase modification of certain stock-appreciation rights, and the remaining increase in the fair value of certain profits interest we did not already own, awards.

Depreciation and amortization expense increased \$11.6 million, primarily due attributable to the acceleration of amortization associated with the discontinuation of certain trade names, the purchase of internally developed software in 2023, and the recognition of depreciable fixed assets and amortizable intangible assets in connection with the acquisitions in 2022.

Gain on Sale of MDC and GoodStuff Holdings Limited ("Goodstuff"). Business

Impairment and other losses increased primarily due The Company recognized a pre-tax gain of \$94.5 million related to the impairment sale of goodwill, intangible assets and right-of-use lease assets in 2022. ConcentricLife for the year ended December 31, 2023.

Other, net Net

Other, net for the year ended December 31, 2022 December 31, 2023 was expense \$0.4 million of \$7.1 million, a loss, compared to income a loss of \$50.1 million \$5.0 million for the year ended December 31, 2021 a decrease of \$57.1 million, December 31, 2022. The loss in 2022 is primarily due attributable to a gain of approximately \$43.0 million in connection with the sale of Reputation Defender in the third quarter of 2021. Tax Receivables Agreement.

Foreign Exchange, Transaction Gain (Loss) Net

The foreign exchange loss for the year ended December 31, 2022 December 31, 2023 was \$2.6 million \$3.0 million, compared to a loss of \$3.3 million \$2.6 million for the year ended December 31, 2021, December 31, 2022, primarily attributable due to the U.S. dollar strengthening against the Euro and British Pound.

Interest Expense, Net

Interest expense, net for the year ended December 31, 2022 December 31, 2023 was \$76.1 million \$90.6 million compared to \$31.9 million \$76.1 million for the year ended December 31, 2021 December 31, 2022, an increase of \$44.2 million \$14.6 million, primarily driven by attributable to higher levels of debt outstanding under the Credit Agreement (as defined and discussed in Note 11 of the Notes to the Audited Consolidated Financial Statements included herein), and a higher level interest rate of debt due to borrowings on amounts outstanding under the issuance of \$1,100.0 million aggregate principal amount of 5.625% senior notes due 2029 ("5.625% Notes") in August 2021. Credit Agreement.

Income Tax Expense

The Company had an income tax expense for the year ended December 31, 2022 December 31, 2023 of \$7.6 million \$40.6 million (on a pre-tax income of \$73.5 million \$91.1 million resulting in an effective tax rate of 10.3% 44.5%) compared to income tax expense of \$23.4 million \$25.5 million (on pre-tax income of \$59.6 million \$75.6 million resulting in an effective tax rate of 39.3% 33.7%) for the year ended December 31, 2021 December 31, 2022.

The difference in the effective tax rate of 10.3% 44.5% in the year ended December 31, 2023 as compared to 33.7% in the year ended December 31, 2022 as compared to 39.3% in the year ended December 31, 2021 was primarily related due to the change in pre-tax income, tax expense on gain on sale of business in 2023, tax benefit of impairments in 2022, increase in valuation allowance in 2023, lower share-based compensation revaluation of the TRA step up, windfalls, and unfavorable return to provision adjustments in the year ended December 31, 2022 2023 offset by an increase in tax benefit from disregarded entity structure in 2023, and a change out-of-period adjustments in ownership of OpCo, offset in part by the impact of non-deductible goodwill impairments 2022. See Note 1 in the year ended December 31, 2022, Notes to the Audited Consolidated Financial Statements.

Noncontrolling and Redeemable Noncontrolling Interests

The effect of noncontrolling and redeemable noncontrolling interests for the year ended December 31, 2022 December 31, 2023 was \$38.6 million income of \$41.5 million compared to \$14.9 million income of \$30.1 million for the year ended December 31, 2021. December 31, 2022, representing an increase of

\$11.4 million. The change was attributable to an increase is primarily related in net income allocated to noncontrolling interest income associated with the holders of Class C Common Stock. Stock, partially offset by a decrease in net income associated with other redeemable noncontrolling interest holders.

Net Income (Loss) Attributable to Stagwell Inc. Common Shareholders

As a result of the foregoing, net income attributable to Stagwell Inc. common shareholders for the year ended December 31, 2022 December 31, 2023 was \$27.3 million \$0.1 million compared to net income attributable to Stagwell Inc. common shareholders of \$21.0 million \$19.9 million for the year ended December 31, 2021 December 31, 2022.

Earnings (Loss) Per Share

Diluted EPS and Adjusted Diluted EPS for the year ended December 31, 2022 was December 31, 2023 were as follows:

		Reported (GAAP)	Adjustments ⁽¹⁾	(Non- GAAP)
	(dollars in thousands, except per share amounts)			
	GAAP	GAAP	Adjustments ⁽¹⁾	Non-GAAP
	(amounts in thousands, except per share amounts)			(amounts in thousands, except per share amounts)
Net income attributable to Stagwell Inc. common shareholders	Net income attributable to Stagwell Inc. common shareholders	\$ 27,269	\$ 95,147	\$122,416
Net income attributable to Class C shareholders	Net income attributable to Class C shareholders	24,452	120,655	145,107
Net income attributable to Stagwell Inc. and Class C and adjusted net income	Net income attributable to Stagwell Inc. and Class C and adjusted net income	\$ 51,721	\$ 215,802	\$267,523
Weighted average number of common shares outstanding	Weighted average number of common shares outstanding	130,625	—	130,625
Weighted average number of common shares outstanding				
Weighted average number of common shares outstanding				
Weighted average number of common Class C shares outstanding	Weighted average number of common Class C shares outstanding	165,971	—	165,971
Weighted average number of shares outstanding	Weighted average number of shares outstanding	296,596	—	296,596

Diluted EPS and Adjusted Diluted EPS	Diluted EPS and Adjusted Diluted EPS			
Diluted EPS	Diluted EPS	\$	0.17	\$ 0.90
Diluted EPS and Adjusted Diluted EPS	Diluted EPS and Adjusted Diluted EPS			
Diluted EPS and Adjusted Diluted EPS	Diluted EPS and Adjusted Diluted EPS			
Adjustments to Net Income ⁽¹⁾				
Adjustments to Net Income (loss) ⁽¹⁾	Adjustments to Net Income (loss) ⁽¹⁾			
Adjustments to Net Income (loss) ⁽¹⁾	Adjustments to Net Income (loss) ⁽¹⁾			
Adjustments to Net Income (loss) ⁽¹⁾	Adjustments to Net Income (loss) ⁽¹⁾			
Amortization	Amortization			
Amortization	Amortization			
Amortization	Amortization			
Impairment and other losses	Impairment and other losses			
Impairment and other losses	Impairment and other losses			
Impairment and other losses	Impairment and other losses			
Stock-based compensation	Stock-based compensation			
Stock-based compensation	Stock-based compensation			
Stock-based compensation	Stock-based compensation			
Deferred acquisition consideration	Deferred acquisition consideration			
Deferred acquisition consideration	Deferred acquisition consideration			
Deferred acquisition consideration	Deferred acquisition consideration			
Gain on sale of business	Gain on sale of business			
Gain on sale of business	Gain on sale of business			
Gain on sale of business	Gain on sale of business			
Other items, net	Other items, net			
Other items, net	Other items, net			
Other items, net	Other items, net			
		Pre-Tax	Tax	Net
	(dollars in thousands)			
Amortization	\$	104,763	\$ (20,953)	\$ 83,810
Impairment and other losses		122,179	(1,093)	121,086
Stock-based compensation		33,152	(6,630)	26,522
Deferred acquisition consideration		(13,405)	2,681	(10,724)
Other items, net		18,691	(3,738)	14,953
Tax adjustments		7,482	(27,327)	(19,845)
Adjusted tax expense	Adjusted tax expense			
Adjusted tax expense	Adjusted tax expense			

(1) Adjusted Diluted EPS is defined within the Non-GAAP Financial Measures section of the Executive Summary.

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	GAAP	Adjustments ⁽¹⁾	Non-GAAP
(amounts in thousands, except per share amounts)			
Net income attributable to Stagwell Inc. common shareholders	\$ 19,919	\$ 102,123	\$ 122,042
Net income attributable to Class C shareholders	16,004	129,500	145,504
Net income attributable to Stagwell Inc. and Class C and adjusted net income	\$ 35,923	\$ 231,623	\$ 267,546
Weighted average number of common shares outstanding	130,625	—	130,625
Weighted average number of common Class C shares outstanding	165,971	—	165,971
Weighted average number of shares outstanding	296,596	—	296,596
Diluted EPS and Adjusted Diluted EPS	\$ 0.12		\$ 0.90
Adjustments to Net income (loss) ⁽¹⁾			
Amortization		\$ 104,763	
Impairment and other losses		122,179	
Stock-based compensation		33,152	
Deferred acquisition consideration		(13,405)	
Other items, net		18,691	
		265,380	
Adjusted tax expense		(33,757)	
		\$ 231,623	

⁽¹⁾ Adjusted Diluted EPS is defined within the Non-GAAP Financial Measures section of the Executive Summary.

Adjusted EBITDA

Adjusted EBITDA for the year ended **December 31, 2022** December 31, 2023 was **\$451.1 million** \$360.1 million, compared to **\$253.7 million** \$451.1 million for the year ended **December 31, 2021** December 31, 2022, representing an increase a decrease of **\$197.5 million** \$91.0 million, primarily driven by the increase a decrease in revenue from existing operations and the acquisitions of MDC and Goodstuff, partially offset by higher operating expenses. Operating Income, as discussed above.

Integrated Agencies Network

The components of operating results for the year ended **December 31, 2022** December 31, 2023 compared to the year ended **December 31, 2021** December 31, 2022 were as follows:

		Year Ended December 31,									
		2022	2021	Change							
		(dollars in thousands)									
		\$		%							
		Year Ended December 31,									
		2023				2023					
		(dollars in thousands)									
		\$									
Revenue	Revenue	\$ 1,479,802	\$770,056	\$709,746	92.2 %	Revenue	\$1,378,109	\$	\$ 1,474,970	\$	
Operating Expenses	Operating Expenses										
Cost of services											
Cost of services											
Cost of services	Cost of services	951,003	506,195	444,808	87.9 %		901,039	949,699	949,699	(48,660)	
Office and general expenses	Office and general expenses	262,560	167,993	94,567	56.3 %	Office and general expenses	264,710	260,254	260,254	4,45	
Depreciation and amortization	Depreciation and amortization	74,609	37,646	36,963	98.2 %	Depreciation and amortization	80,864	74,492	74,492	6,37	

Impairment and other losses	Impairment and other losses	52,360	1,394	50,966	NM	Impairment and other losses	9,912	52,360	52,360	(42,44
		\$ 1,340,532	\$713,228	\$627,304	88.0 %					
Operating income		\$ 139,270	\$ 56,828	\$ 82,442	NM					
	\$						\$ 1,256,525			\$1,336,80
Operating Income						Operating Income	\$ 121,584	\$ 138,165		

	Year Ended December 31,													
	Year Ended December 31,					2023			2022				Chang	
	2022	2021	Change											
(dollars in thousands)														
\$ %														
(dollars in thousands)														
\$														
Net Revenue	Net Revenue	\$1,247,368	\$683,563	\$563,805	82.5 %	Net Revenue	\$1,186,705	\$	\$	1,240,465	\$	\$(53,760)		
Billable costs	Billable costs	232,434	86,493	145,941	NM	Billable costs	191,404	234,505		234,505	(43,101)	(43,101)		
Revenue	Revenue	1,479,802	770,056	709,746	92.2 %	Revenue	1,378,109	1,474,970		1,474,970	(96,861)	(96,861)		
Billable costs														
Billable costs														
Billable costs	Billable costs	232,434	86,493	145,941	NM	191,404	234,505		234,505	(43,101)	(43,101)			
Staff costs	Staff costs	771,324	405,589	365,735	90.2 %	Staff costs	735,998	762,332		762,332	(26,334)	(26,334)		
Administrative costs	Administrative costs	112,285	59,479	52,806	88.8 %	Administrative costs	114,118	115,724		115,724	(1,606)	(1,606)		
Unbillable and other costs, net	Unbillable and other costs, net	70,116	54,899	15,217	27.7 %	Unbillable and other costs, net	65,267	70,116		70,116	(4,849)	(4,849)		
Adjusted EBITDA	Adjusted EBITDA	293,643	163,596	130,047	79.5 %	Adjusted EBITDA	271,322	292,293		292,293	(20,971)	(20,971)		
Stock-based compensation	Stock-based compensation	13,774	47,190	(33,416)	(70.8)%	Stock-based compensation	27,806	13,774		13,774	14,032	14,032		
Depreciation and amortization	Depreciation and amortization	74,609	37,646	36,963	98.2 %	Depreciation and amortization	80,864	74,492		74,492	6,372	6,372		
Deferred acquisition consideration	Deferred acquisition consideration	9,157	18,457	(9,300)	(50.4)%	Deferred acquisition consideration	11,931	9,157		9,157	2,774	2,774		
Impairment and other losses	Impairment and other losses	52,360	1,394	50,966	NM	Impairment and other losses	9,912	52,360		52,360	(42,448)	(42,448)		
Other items, net	Other items, net	4,473	2,081	2,392	NM	Other items, net	19,225	4,345		4,345	14,880	14,880		
Operating Income	Operating Income	\$ 139,270	\$ 56,828	\$ 82,442	NM	Operating Income	\$ 121,584	\$	\$	138,165	\$	\$(16,581)		

Net Revenue - Components of Change						Change	
Year Ended December 31, 2021	Foreign Currency	Net Acquisitions (Divestitures)	Organic	Total Change	Year Ended December 31, 2022	Organic	Total
(dollars in thousands)							

Net Revenue - Components of Change											Net Revenue - Components of Change				
Year Ended December 31, 2022											Year Ended December 31, 2022	Foreign Currency	Net Acquisitions (Divestitures)	Organic	Total Change
(dollars in thousands)															
Integrated Agencies Network															
Integrated Agencies Network															
Integrated Agencies Network	Integrated Agencies Network	\$683,563	\$ (4,467)	\$ 458,712	\$109,560	\$563,805	\$1,247,368	16.0 %	82.5 %	\$1,240,465	\$(2,266)	\$6,677	\$(58,172)	\$(53,761)	\$1,186,704
Component % change	Component % change		(0.7)%	67.1%	16.0%	82.5%									

The growth decrease in organic net revenue was primarily attributable to increased the retail, financial, and communications sector due to the loss of clients, clients who withheld spending by existing due to uncertain macroeconomic factors, turmoil from the collapse of regional banks, and new clients, primarily driven by creative, digital transformation the writer and consumer insights services. actor strikes. The increase in net acquisitions (divestitures) was primarily driven by a \$11.2 million increase in revenue from the acquisition acquisitions of MDC, LFL and Wolfgang, partially offset by a \$10.1 million decrease in revenue from the divestiture of ConcentricLife.

Operating Income

Operating Income for the year ended December 31, 2023 was \$121.6 million, compared to \$138.2 million for the year ended December 31, 2022, representing a decrease of \$16.6 million. The change in Operating Income was primarily attributable to a decrease in Revenue, Cost of services, and Impairment and other losses, and an increase in Office and general expenses, and Depreciation and amortization.

The decrease in Cost of services was primarily attributable to lower billable and unbillable costs, commensurate with lower revenue, and lower staff costs associated with cost savings initiatives, partially offset by an increase in stock-based compensation expense.

Stock-based compensation expense increased \$14.0 million primarily attributable to new awards granted in 2023 and an increase in the fair value of certain profits interest awards.

The increase in Office and general expenses was primarily driven by higher costs associated with providing services as well as the acquisition of MDC.

Stock-based attributable to an increase in stock-based compensation expense, decreased, primarily driven partially offset by awards issued to employees in the third quarter of 2021 in connection with the acquisition of MDC that fully vested in the third quarter of 2021 and the first quarter of 2022 as well as a net decrease in the value of profits interests awards in 2022, staff costs due to cost saving initiatives.

Depreciation and amortization grew due expense increased \$6.4 million, primarily attributable to the recognition acceleration of depreciable fixed assets and amortizable intangible assets primarily in connection amortization associated with the acquisition discontinuation of MDC.

Deferred acquisition consideration decreased primarily due to the earn-out periods for a certain of our Brands ending in the second quarter of 2022 and thus the final payments being made to those Brands at that time. trade name.

Impairment and other losses for the year ended December 31, 2022 of \$52.4 million relates decreased \$42.4 million primarily due to the impairment of goodwill, an intangible asset, and right-of-use lease assets and the related leasehold improvements in 2022.

Operating income and Adjusted EBITDA were higher decreased \$21.0 million, primarily driven by the increase a decrease in revenues, partially offset by higher expenses Operating Income, as detailed discussed above.

Brand Performance Network

The components of operating results for the year ended **December 31, 2022** **December 31, 2023** compared to the year ended **December 31, 2021** **December 31, 2022** were as follows:

Year Ended December 31,	
2022	2021
Change	
(dollars in thousands)	
\$	%

Year Ended December 31,	
Year Ended December 31,	
Year Ended December 31,	
2023	
2023	
2023	
(dollars in thousands)	
(dollars in thousands)	
(dollars in thousands)	
\$	
\$	
\$	

Revenue

Revenue

Revenue	Revenue	\$757,208	\$424,632	\$332,576	78.3 %

Operating Expenses	Operating Expenses

Operating Expenses

Operating Expenses

Cost of services

Cost of services

Cost of services	Cost of services	439,814	219,492	220,322	NM

Office and general expenses	Office and general expenses	217,254	148,761	68,493	46.0 %

Office and general expenses

Office and general expenses

Depreciation and amortization

Depreciation and amortization

Depreciation and amortization	Depreciation and amortization	33,674	26,031	7,643	29.4 %

Impairment and other losses	Impairment and other losses	50,778	14,846	35,932	NM

		\$741,520	\$409,130	\$332,390	81.2 %

Operating income		\$ 15,688	\$ 15,502	\$ 186	1.2 %

Impairment and other losses

Impairment and other losses

—
\$

	\$
	\$
Operating Income	
Operating Income	
Operating Income	

	Year Ended December 31,			
	2022	2021	Change	
	(dollars in thousands)			
			\$	%
Net Revenue	\$ 667,882	\$ 393,481	\$ 274,401	69.7 %
Billable costs	89,326	31,151	58,175	NM
Revenue	757,208	424,632	332,576	78.3 %
Billable costs	89,326	31,151	58,175	NM
Staff costs	412,982	244,078	168,904	69.2 %
Administrative costs	90,853	58,411	32,442	55.5 %
Unbillable and other costs, net	48,212	25,050	23,162	92.5 %
Adjusted EBITDA	115,835	65,942	49,893	75.7 %
Stock-based compensation	5,830	5,251	579	11.0 %
Depreciation and amortization	33,674	26,031	7,643	29.4 %
Deferred acquisition consideration	1,736	184	1,552	NM
Impairment and other losses	50,778	14,846	35,932	NM
Other items, net	8,129	4,128	4,001	96.9 %
Operating Income	\$ 15,688	\$ 15,502	\$ 186	1.2 %

	Year Ended December 31,			
	2023	2022	Change	
	(dollars in thousands)			
			\$	%
Net Revenue	\$ 668,101	\$ 667,882	\$ 219	— %
Billable costs	100,675	89,326	11,349	12.7 %
Revenue	768,776	757,208	11,568	1.5 %
Billable costs	100,675	89,326	11,349	12.7 %
Staff costs	419,651	408,968	10,683	2.6 %
Administrative costs	95,837	94,867	970	1.0 %
Unbillable and other costs, net	56,598	48,212	8,386	17.4 %
Adjusted EBITDA	96,015	115,835	(19,820)	(17.1)%
Stock-based compensation	5,883	5,830	53	0.9 %
Depreciation and amortization	34,343	33,674	669	2.0 %
Deferred acquisition consideration	2,851	1,736	1,115	64.2 %
Impairment and other losses	1,483	50,778	(49,295)	(97.1)%
Other items, net	13,206	8,129	5,077	62.5 %
Operating Income	\$ 38,249	\$ 15,688	\$ 22,561	NM

Revenue

Revenue for the year ended December 31, 2022 December 31, 2023 was \$757.2 million \$768.8 million, compared to \$424.6 million \$757.2 million for the year ended December 31, 2021 December 31, 2022, an increase of \$332.6 million \$11.6 million.

Net Revenue

The components of the fluctuations in net revenue for the year ended **December 31, 2022** **December 31, 2023** compared to the year ended **December 31, 2021** **December 31, 2022** were as follows:

Net Revenue - Components of Change										Change						
Year Ended December 31, 2021		Foreign Currency	Net Acquisitions (Divestitures)		Organic	Total Change	Year Ended December 31, 2022		Organic	Total						
(dollars in thousands)																
Net Revenue - Components of Change										Net Revenue - Components of Change						
Year Ended December 31, 2022		Foreign Currency	Net Acquisitions (Divestitures)		Organic	Total Change	Year Ended December 31, 2022		Foreign Currency	Net Acquisitions (Divestitures)	Organic	Total Change	D 2			
(dollars in thousands)																
Brand Performance Network																
Brand Performance Network																
Brand Performance Network	Brand Performance Network	\$393,481	\$ (9,542)	\$ 188,168	\$95,775	\$274,401	\$667,882	24.3 %	69.7 %	\$667,882	\$848	\$13,377	\$ (14,005)	\$220	\$668,102	
Component % change	Component % change	(2.4)%	47.8%	24.3%	69.7%											

The **increase** **decline** in organic net revenue was primarily attributable to **new clients** **lower spending** and **increased spending by existing clients**. **client losses** in the retail, consumer products, transportation and travel, and healthcare sectors. The increase in net acquisitions (divestitures) was primarily driven by **a \$12.5 million increase in revenue from the acquisitions of MDC BNG and Goodstuff, Huskies.**

Operating Income

Operating Income for the year ended December 31, 2023 was \$38.2 million, compared to \$15.7 million for the year ended December 31, 2022, representing an increase of \$22.6 million. The change in Operating Income was primarily attributable to an increase in Revenue, Costs of services, and Office and general expenses, and a decrease in Impairment and other losses.

The increase in **Cost of services** was primarily attributable to higher billable and unbillable costs, commensurate with the increase in revenues and an increase in staff costs due to the acquisition of BNG in 2022.

The increase in **Office and general expenses** was primarily attributable to an increase in staff costs primarily associated with an increased headcount and increased occupancy-related expenses, partially offset by a decrease in bad debt expense primarily attributable to recovered funds that were previously written off.

Occupancy-related expenses increased primarily due to nonrecurring credits in the first quarter of 2022 associated with a benefit connected to the consolidation of real estate in New York City.

Impairment and other losses decreased \$49.3 million, primarily due to the impairment of goodwill in 2022.

Adjusted EBITDA decreased \$19.8 million, primarily driven by an increase in **the costs associated with providing services as well as the impact of the acquisitions of MDC and Goodstuff.**

Depreciation and amortization expense increased primarily due to the recognition of depreciable fixed assets and amortizable intangible assets in connection with the acquisitions of MDC and Goodstuff.

Impairment and other losses for the year ended December 31, 2022 of \$50.8 million, relates to the impairment of goodwill, intangible assets, and one right-of-use lease asset. Impairment and other losses of \$14.8 million for the year ended December 31, 2021 relates to the write-down of certain trade names no longer in use.

Deferred acquisition consideration increased primarily due to the acquisition of Goodstuff in the fourth quarter of 2021, partially offset by a decrease in the fair value of deferred acquisition consideration for the year ended 2022.

Operating income and Adjusted EBITDA were driven by an increase in revenues, expenses, partially offset by higher expenses revenues as detailed discussed above.

Communications Network

The components of operating results for the year ended **December 31, 2022** **December 31, 2023** compared to the year ended **December 31, 2021** **December 31, 2022** were as follows:

	Year Ended December 31,		
	2022	2021	Change
(dollars in thousands)			
	\$		%

Year Ended December 31,				
Year Ended December 31,				
Year Ended December 31,				
2023				
2023				
2023				
(dollars in thousands)				
(dollars in thousands)				
(dollars in thousands)				
\$				
\$				
\$				

Revenue

Revenue

Revenue	Revenue	\$430,820	\$248,832	\$181,988	73.1 %

Operating Expenses	Operating Expenses

Operating Expenses

Operating Expenses

Cost of services

Cost of services

Cost of services	Cost of services	272,752	167,303	105,449	63.0 %

Office and general expenses	Office and general expenses	50,638	52,106	(1,468)	(2.8)%

Office and general expenses

Office and general expenses

Depreciation and amortization

Depreciation and amortization

Depreciation and amortization	Depreciation and amortization	10,831	7,553	3,278	43.4 %

	\$	\$334,221	\$226,962	\$107,259	47.3 %

Operating income		\$ 96,599	\$ 21,870	\$ 74,729	NM

	\$				
	\$				

Operating Income

Operating Income

Operating Income

Year Ended December 31,											
	Year Ended December 31,						2023		2022		Change
		2022	2021	Change							
(dollars in thousands)											
		\$			%						
(dollars in thousands)											
		\$									
Net Revenue	Net Revenue	\$286,941	\$166,050	\$120,891	72.8 %	Net Revenue	\$245,261	\$	\$	293,844	\$(48,583)
Billable costs	Billable costs	143,879	82,782	61,097	73.8 %	Billable costs	88,446	141,808		141,808	(53,362)
Revenue	Revenue	430,820	248,832	181,988	73.1 %	Revenue	333,707	435,652		435,652	(101,945)
Billable costs											
Billable costs											
Billable costs	Billable costs	143,879	82,782	61,097	73.8 %		88,446	141,808		141,808	(53,362)
Staff costs	Staff costs	169,109	104,173	64,936	62.3 %	Staff costs	159,165	172,598		172,598	(13,433)
Administrative costs	Administrative costs	31,721	16,106	15,615	97.0 %	Administrative costs	33,664	33,787		33,787	(123)
Unbillable and other costs, net	Unbillable and other costs, net	427	244	183	75.0 %	Unbillable and other costs, net	613	427		427	186
Adjusted EBITDA	Adjusted EBITDA	85,684	45,527	40,157	88.2 %	Adjusted EBITDA	51,819	87,032		87,032	(35,213)
Stock-based compensation	Stock-based compensation	1,797	15,928	(14,131)	(88.7)%	Stock-based compensation	3,334	1,797		1,797	1,537
Depreciation and amortization	Depreciation and amortization	10,831	7,553	3,278	43.4 %	Depreciation and amortization	11,016	10,948		10,948	68
Deferred acquisition consideration	Deferred acquisition consideration	(24,298)	80	(24,378)	NM	Deferred acquisition consideration	30	(24,298)		(24,298)	24,328
Other items, net	Other items, net	755	96	659	NM						
Other items, net											
Other items, net							1,535		883		652
Operating Income	Operating Income	\$ 96,599	\$ 21,870	\$ 74,729	NM	Operating Income	\$ 35,904	\$	\$	97,702	\$(61,798)

Revenue

Revenue for the year ended **December 31, 2022** December 31, 2023 was **\$430.8 million** **\$333.7 million**, compared to **\$248.8 million** **\$435.7 million** for the year ended **December 31, 2021** December 31, 2022, an increase a decrease of **\$182.0 million** **\$101.9 million**.

Net Revenue

The components of the fluctuations in net revenue for the year ended **December 31, 2022** December 31, 2023 compared to the year ended **December 31, 2021** December 31, 2022 were as follows:

Net Revenue - Components of Change						Change	
Year Ended	Foreign	Net	Organic	Total	Year Ended	Organic	Total
December 31, 2021	Currency	Acquisitions (Divestitures)		Change	December 31, 2022		

(dollars in thousands)															
Net Revenue - Components of Change										Net Revenue Components of Change					
Year Ended December 31, 2022										Year Ended December 31, 2022	Foreign Currency	Net Acquisitions (Divestitures)	Organic	Total Change	
(dollars in thousands)															
Communications Network															
Communications Network															
Communications Network	Communications Network	\$166,050	\$ (484)	\$ 51,460	\$69,915	\$120,891	\$286,941	42.1 %	72.8 %	\$293,844	\$(169)	\$1,918	\$(50,333)	\$(48,584)	\$2,000
Component % change	Component % change	(0.3)%			31.0%	42.1%	72.8%								

The increase/decline in organic net revenue was primarily attributable to increased/lower spending by existing in public relations and new clients, primarily driven by related advocacy services as compared to higher public relations spending in the prior year associated with the 2022 elections as well as advocacy services, as these are higher during election years. decreased spending in the technology sector due to a reduction in budgets stemming from macroeconomic conditions. The increase in net acquisitions (divestitures) was driven by a \$1.9 million increase in revenue from the acquisition of MDC. TMA.

Operating Income

Operating income for the year ended December 31, 2023 was \$35.9 million compared to \$97.7 million for the year ended December 31, 2022, representing a decrease of \$61.8 million. The change in Operating Income was primarily attributable to a decrease in Revenue and Cost of services, and an increase in Office and general expenses.

The decrease in Cost of services was primarily attributable to lower billable costs, commensurate with lower revenue, and a decrease in staff costs associated with cost savings initiatives.

The increase in Office and general expenses was primarily driven by attributable to an increase in the deferred acquisition consideration, partially offset by a decrease in staff costs associated with providing services as well as the impact of the acquisition of MDC. related to cost saving initiatives.

Deferred acquisition consideration decreased/increased \$24.3 million, primarily due attributable to the a significant reduction in the fair value associated with of the deferred acquisition consideration assumed in connection with the purchase of a portion of the remaining interest in one of our Brands in the fourth quarter of 2021.

Stock-based compensation expense decreased primarily due to awards issued to employees liability that occurred in the third quarter of 2021 in connection 2022 associated with the acquisition of MDC that fully vested in the third quarter of 2021 and the first quarter of 2022, partially offset by awards issued to employees in 2022. a certain Brand.

Depreciation and amortization increased primarily due to the recognition of amortizable intangible assets in connection with the acquisition of MDC.

Operating income and Adjusted EBITDA were decreased \$35.2 million, primarily driven by a decrease in Operating Income, partially offset by an increase in revenues, partially offset by higher expenses added-back to EBITDA, primarily Deferred acquisition consideration as detailed discussed above.

All Other

The components of operating results for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022 were as follows:

Year Ended December 31,		
2022	2021	Change
(dollars in thousands)		
	\$	%
Year Ended December 31,		
Year Ended December 31,		
Year Ended December 31,		
2023		
2023		
2023		
(dollars in thousands)		
(dollars in thousands)		
(dollars in thousands)		
\$		
\$		

\$					
Revenue					
Revenue					
Revenue	Revenue	\$ 19,962	\$25,843	\$ (5,881)	(22.8)%
Operating Expenses	Operating Expenses				
Operating Expenses					
Operating Expenses					
Cost of services					
Cost of services					
Cost of services	Cost of services	10,007	13,866	(3,859)	(27.8)%
Office and general expenses	Office and general expenses	10,951	12,785	(1,834)	(14.3)%
Office and general expenses					
Office and general expenses					
Depreciation and amortization					
Depreciation and amortization					
Depreciation and amortization	Depreciation and amortization	5,234	2,498	2,736	NM
Impairment and other losses	Impairment and other losses	19,041	—	19,041	100.0 %
		\$ 45,233	\$29,149	\$ 16,084	55.2 %
Operating loss		<u>\$(25,271)</u>	<u>\$(3,306)</u>	<u>\$(21,965)</u>	<u>NM</u>
Impairment and other losses					
Impairment and other losses					
		\$	\$	\$	\$
Operating Loss					
Operating Loss					
Operating Loss					

Year Ended December 31,					
2022 2021 Change					
(dollars in thousands)					
\$ %					
Year Ended December 31,					
2023 2022 Change					
(dollars in thousands)					
\$					
Net Revenue	Net Revenue	\$ 19,962	\$25,843	\$ (5,881)	(22.8)%
Revenue		19,962	25,843	(5,881)	(22.8)%
Revenue (1)					
Net Revenue \$ 46,585 \$ 19,962 \$ 26,623 NM					

Revenue ⁽¹⁾															
Revenue ⁽¹⁾						46,585		19,962		26,623		NM			
Staff costs	Staff costs	14,011	16,454	(2,443)	(14.8)%										
Administrative costs		3,894	9,481	(5,587)	(58.9)%										
Staff costs															
Staff costs						37,416		13,963		23,453		NM			
Administrative costs ⁽¹⁾						4,689		3,940		749		19.0 %			
Unbillable and other costs, net	Unbillable and other costs, net	2,990	677	2,313	NM	Unbillable and other costs, net	15,087	2,990	2,990	12,097	12,097	NM			
Adjusted EBITDA	Adjusted EBITDA	(933)	(769)	(164)	21.3 %	Adjusted EBITDA	(10,607)	(931)	(931)	(9,676)	(9,676)	NM			
Stock-based compensation	Stock-based compensation	41	39	2	5.1 %	Stock-based compensation	518	41	41	477	477	NM			
Depreciation and amortization	Depreciation and amortization	5,234	2,498	2,736	NM	Depreciation and amortization	8,390	5,234	5,234	3,156	3,156	60.3			
Deferred acquisition consideration						(1,752)		—		(1,752)		(100.0) %			
Impairment and other losses	Impairment and other losses	19,041	—	19,041	100.0 %	Impairment and other losses	—	19,041	19,041	(19,041)	(19,041)	(100.0)			
Other items, net	Other items, net	22	—	22	100.0 %	Other items, net	1,174	22	22	1,152	1,152	NM			
Operating Loss	Operating Loss	\$(25,271)	\$(3,306)	\$(21,965)	NM	Operating Loss	\$(18,937)	\$	\$(25,269)	\$	\$ 6,332	(25.1)	(25.1)		

⁽¹⁾All Other Revenue and Administrative costs include approximately \$6.0 million of eliminations of intercompany services.

Revenue

Revenue for the year ended **December 31, 2022** December 31, 2023 was **\$20.0 million** **\$46.6 million**, compared to **\$25.8 million** **\$20.0 million** for the year ended **December 31, 2021** December 31, 2022, a decrease an increase of **\$5.9 million** **\$26.6 million**.

Net Revenue

The components of the fluctuations in net revenue for the year ended **December 31, 2022** December 31, 2023 compared to the year ended **December 31, 2021** December 31, 2022 were as follows:

Net Revenue - Components of Change										Change	
Year Ended December 31, 2021		Foreign Currency	Net Acquisitions (Divestitures)		Organic	Total Change	Year Ended December 31, 2022		Organic	Total	
(dollars in thousands)											
Net Revenue - Components of Change										Net Revenue - Components of Change	
Year Ended December 31, 2022		Foreign Currency		Net Acquisitions (Divestitures)		Organic		Total Change		Year Ended December 31, 2022	
(dollars in thousands)											
All Other											
All Other											
All Other	All Other	\$ 25,843	\$ (835)	\$ (4,616)	\$ (430)	\$ (5,881)	\$ 19,962	(1.7) %	(22.8)%	\$19,962	\$(354)
		\$35,135		\$ (8,157)		\$26,624	\$46,586			\$(40,000)	

Component	Component	(3.2)%	(17.9)%	(1.7)%	(22.8)%
% change	% change				

Organic The decline in organic net revenue remained relatively flat, was primarily attributable to budget cuts and client losses from clients in the communications industry (\$2.0 million), with the remaining amount (\$6.1 million) representing the elimination of intercompany revenue during the year ended December 31, 2023. The decrease related to increase in net acquisitions (divestitures) was primarily attributable to driven by a \$33.1 million increase in revenue from the sale acquisitions of Reputation Defender in 2021, Maru and Epicenter.

Operating Loss

Operating Loss for the year ended December 31, 2023 was \$18.9 million compared to \$25.3 million for the year ended December 31, 2022, representing a decrease of \$6.3 million. The change in Operating Loss was primarily attributable to an increase in Revenue, Cost of services, Office and general expenses and Depreciation and amortization, partially offset by a decrease in Impairment and other losses.

The increase in operating loss Cost of services was primarily attributable to higher unbillable and staff costs, commensurate with higher revenue, and due to the acquisitions of Maru and Epicenter.

The increase in Office and general expenses was primarily attributable to an increase in staff costs primarily associated with the acquisitions of Maru and Epicenter.

The increase in Depreciation and amortization was primarily attributable to the recognition of intangible assets in connection with the acquisition of Maru.

Impairment and other losses decreased primarily due to the impairment of goodwill in 2022.

Adjusted EBITDA decreased \$9.7 million, primarily driven by a decrease in revenues and an increase Operating Loss, offset by a significant decrease in impairment expenses added-back to EBITDA, primarily Impairment and other losses due to the impairment of goodwill. The decrease in Adjusted EBITDA was primarily driven by a decrease in revenue, as discussed above.

Corporate

The components of operating results for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022 were as follows:

		Year Ended December 31,			
		Year Ended December 31,			
		Year Ended December 31,			
		Year Ended December 31,			
		2022	2021	Change	
(dollars in thousands)					
\$ %					
(dollars in thousands)					
(dollars in thousands)					
(dollars in thousands)					
\$					
\$					
\$					
Staff costs	Staff costs	\$ 25,109	\$ 19,827	\$ 5,282	26.6 %
Staff costs					
Staff costs					
Administrative costs					
Administrative costs					
Administrative costs	Administrative costs	18,002	817	17,185	NM
Adjusted EBITDA	Adjusted EBITDA	(43,111)	(20,644)	(22,467)	NM
Adjusted EBITDA					
Adjusted EBITDA					
Stock-based compensation	Stock-based compensation	11,710	6,624	5,086	76.8 %
Stock-based compensation					
Stock-based compensation					
Depreciation and amortization					
Depreciation and amortization					

[illegible]

Operating Loss	(10)	(10)

Administrative costs increased by \$4.8 million primarily in connection with the acquisition of MDC. In addition, stock-based attributable to computer software and licensing fees.

Other items, net **decreased** **increased** \$4.7 million, primarily **due** **attributable** to professional fees **associated with** **incurred** **related to** the **acquisition of MDC in 2021**. **Company's** **acquisitions**.

The following table provides summary information about the Company's liquidity position:

The Company had cash and cash equivalents of \$220.6 million \$119.7 million and \$184.0 million \$220.6 million as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively. The Company expects to maintain sufficient cash and/or available borrowings to fund operations for the next twelve months and subsequent periods. The Company has historically maintained and expanded its business using cash generated from operating activities, funds available under its revolving credit agreement, the Credit Agreement, and other initiatives, such as obtaining additional debt and equity financing. On December 31, 2022 May 4, 2023, as discussed in Note 11 of the Notes included herein, the Company amended the Credit Agreement to, among other things, increase the revolving commitments under the Credit Agreement by \$140.0 million from \$500.0 million to \$640.0 million and permit restricted payments for share repurchases or redemptions from certain of its stockholders in an aggregate principal amount of up to \$150.0 million. As of December 31, 2023, the Company had \$100.0 million \$59.0 million of borrowings outstanding \$25.3 million and \$16.2 million of outstanding and undrawn letters

of credit resulting in \$374.7 million available \$564.8 million under its \$500.0 million Combined the Credit Agreement (as defined and discussed in Note 11 of the Notes to the Audited Consolidated Financial Statements included herein), Agreement.

The Company enters into agreements with transfers certain of its trade receivable assets to third parties to accelerate under certain agreements. Per the collection terms of certain accounts receivable by transferring ownership of those receivables to the third parties. Accordingly, these agreements, the Company accounts for the transfers as sales of surrenders control over its trade receivables by recognizing an increase to cash and a decrease to accounts receivable when proceeds from the transactions are received, with the proceeds being included in Cash flows from operating activities in the Consolidated Statements of Cash Flows, upon transfer.

The amount trade receivables transferred to the third parties under these arrangements was were \$393.9 million, \$176.5 million, \$42.1 million and \$44.2 million during \$42.1 million for the years ended December 31, 2022 December 31, 2023, 2021 2022, and 2020, 2021, respectively. The amount collected and due to the third parties under the these arrangements was \$5.7 million \$1.8 million as of December 31, 2023 and \$5.7 million as of December 31, 2022. No amounts were collected and due to third parties during the years ended as of December 31, 2021 and 2020. Fees for the these arrangements were recorded in Office and general expenses in the Consolidated Statements of Operations and totaled \$1.8 million, \$5.4 million, \$1.8 million, and \$0.1 million, and \$0.2 million for the years ended December 31, 2022 December 31, 2023, 2022, and 2021, and 2020. The fees are almost entirely offset by reduced interest expense from lower borrowings driven by the acceleration of cash collections, respectively.

On March 23, 2022, the Board authorized the Repurchase Program under which we may repurchase up to \$125.0 million of shares of our outstanding Class A Common Stock. Under the Repurchase Program, share repurchases may be made at our discretion from time to time in open market transactions at prevailing market prices (including through trading plans that may be adopted in accordance with Rule 10b5-1 of the Exchange Act), in privately negotiated transactions, or through other means. The timing and number of shares repurchased under the Repurchase Program will depend on a variety of factors, including the performance of our stock price, general market and economic conditions, regulatory requirements, the availability of funds, and other considerations we deem relevant. The Repurchase Program may be suspended, modified or discontinued at any time without prior notice. Our board of directors will review the Repurchase Program periodically and may authorize adjustments of its terms.

See Note 1 of the Notes included herein for information regarding amendments to the Repurchase Program.

As of December 31, 2022, there were 7.2 million shares of Class A Common Stock repurchased under the Repurchase Program at an aggregate value, excluding fees, of \$51.5 million. These were purchased at an average share price of \$7.17 per share. The remaining value of shares of Class A Common Stock permitted to be repurchased under the Repurchase Program was \$73.3 million as of December 31, 2022. On March 1, 2023, the Board authorized an extension and a \$125.0 million increase in the size of our stock repurchase program (the Repurchase Program "Repurchase Program") to an aggregate of \$250.0 million, with any previous purchases under the Repurchase Program continuing to count against that limit. The Repurchase Program, as amended, will expire on March 1, 2026. During the year ended December 31, 2023, 9.9 million shares of Class A Common Stock were repurchased pursuant to the Repurchase Program at an aggregate value, excluding fees, of \$59.5 million. These shares were repurchased at an average price of \$6.00 per share. The remaining value of shares of Class A Common Stock permitted to be repurchased under the Repurchase Program was \$138.6 million as of December 31, 2023. The Board will review the Repurchase Program periodically and may authorize adjustments of its terms. The Repurchase Program may be suspended, modified or discontinued at any time without prior notice.

On May 23, 2023, the Company repurchased 23.3 million shares of Class A Common Stock from certain entities affiliated with Alpinvest Partners B.V. at a price of \$6.43 per share, for an aggregate total repurchase price of \$150.0 million.

The Company's obligations extending beyond twelve months primarily consist of deferred acquisition consideration payments, purchases of noncontrolling interests, subsidiary awards, capital expenditures, scheduled lease obligation payments, and interest payments on borrowings under the Company's 5.625% Notes and Combined Credit Agreement. The Company expects to make estimated cash payments in the future to satisfy obligations under the our Tax Receivables Agreement with Stagwell Media LP and OpCo ("TRA") (see Note 17 of the Notes included herein for additional details). The amount and timing of payments are contingent on the Company achieving certain tax savings, if any, that we actually realize, or in certain circumstances are deemed to realize as a result of (i) increases in the tax basis of OpCo's assets resulting from exchanges of Paired Units (each as defined in Note 15 of the Notes included herein) for shares of Class A Common Stock or cash, as applicable, and (ii) certain other tax benefits related to the Company making payments under the TRA. Based on the current outlook, the Company believes future cash flows from operations, together with the Company's existing cash balance and availability of funds under the Combined Credit Agreement, will be sufficient to meet the Company's anticipated cash needs for the next twelve months and subsequent periods. The Company's ability to make scheduled deferred acquisition consideration payments to make principal and interest payments, to refinance indebtedness or to fund planned capital expenditures or other obligations will depend on future performance, which is subject to general economic conditions, the competitive environment and other factors, including those described in this Form 10-K and in the Company's other SEC filings.

Cash Flows

Operating Activities

Cash flows provided by operating activities for the year ended December 31, 2022 December 31, 2023, were \$347.6 million \$81.0 million, primarily driven by earnings, as well as favorable partially offset by unfavorable working capital requirements. requirements, including the timing of media supplier payments.

Cash flows provided by operating activities for the year ended December 31, 2021 December 31, 2022, were \$200.9 million \$347.6 million, primarily driven by earnings and favorable working capital requirements.

Investing Activities

Cash flows provided by investing activities were \$156.0 million for the year ended December 31, 2023, primarily driven by \$229.5 million in proceeds from the sale of ConcentricLife, partially offset by \$28.2 million in capitalized software spend, \$14.2 million in capital expenditures, and \$23.3 million for acquisitions, net of cash acquired.

Cash flows used in investing activities were \$116.3 million for the year ended December 31, 2022, primarily driven by \$12.8 million in capital capitalized software spend, \$22.7 million in capital expenditures, and \$74.2 million in acquisitions, and \$22.7 million in capital expenditures. net of cash acquired.

Cash flows provided by investing activities were \$164.0 million for Financing Activities

During the year ended December 31, 2021 December 31, 2023, cash flows used in financing activities were \$339.9 million, primarily driven by \$41.0 million in net borrowings under the addition Credit Agreement, shares repurchased and cancelled of \$150.3 million \$223.8 million, payments of cash in connection with the acquisition deferred consideration of MDC, \$49.2 million, and \$37.2 million from the sale distributions to noncontrolling interests of Reputation Defender, partially offset by capital expenditures of \$8.8 million.

Financing Activities \$25.0 million.

During the year ended December 31, 2022, cash flows used in financing activities were \$186.7 million, \$186.7 million, primarily driven by \$63.2 million \$63.2 million of deferred acquisition consideration payments, \$39.2 million \$39.2 million of distributions to noncontrolling interests, \$51.5 million \$70.3 million in stock repurchases under the Repurchase Program, shares repurchased and \$18.7 million related to shares acquired and cancelled in connection with the vesting of stock awards, cancelled.

During the year ended December 31, 2021, cash flows used in financing activities were \$273.4 million, which primarily consisted of \$884.4 million for the repurchase of the Company's 7.50% Senior Notes due 2024, \$202.4 million in net payments under the Company's previous revolving credit agreement, and distributions of \$233.2 million to Stagwell Media, offset by receipt of \$1.1 billion from the issuance of the 5.625% Notes.

Total Debt

Debt, net of debt issuance costs, as of December 31, 2022 December 31, 2023, was \$1,184.7 million \$1,145.8 million as compared to \$1,191.6 million \$1,184.7 million outstanding at December 31, 2021 December 31, 2022. See Note 11 to the Audited Consolidated Financial Statements included herein for information regarding the Company's 5.625% Notes, and the Combined Credit Agreement, which provides for a \$500.0 million \$640.0 million senior secured revolving credit facility with a five-year maturity, maturing on August 3, 2026.

The Company is currently in compliance with all of the terms and conditions of the Combined Credit Agreement, and management believes, based on its current financial projections, that the Company will be in compliance with its covenants over the next twelve months.

If the Company loses all or a substantial portion of its lines of credit under the Combined Credit Agreement, or if the Company uses the maximum available amount under the agreement, it will be required to seek other sources of liquidity. If the Company were unable to find these sources of liquidity, for example through an equity offering or access to the capital markets, the Company's ability to fund its working capital needs and any contingent obligations with respect to acquisitions and redeemable noncontrolling interests would be adversely affected.

On April 28, 2022, the Company amended the Combined Credit Agreement. Among other things, this amendment replaced any references to LIBOR with references to the Secured Overnight Financing Rate ("SOFR"). Borrowings pursuant to the Combined Credit Agreement, as amended, bear interest at a rate equal to, at the Company's option, (i) the greatest of (a) the prime rate of interest in effect on such day, (b) the federal funds effective rate plus 0.50% and (c) SOFR plus 1% in each case, plus the applicable margin (calculated based on the Company's Total Leverage Ratio, as defined in the Combined Credit Agreement) at that time. Additionally, the Combined Credit Agreement was amended to remove certain pre-commencement notice provisions for certain acquisitions under \$50.0 million in the aggregate, to increase the amount permitted for certain investments allowed under the Combined Credit Agreement, and, subject to certain conditions, to allow for the repurchase of

Stagwell Inc. stock in an amount not to exceed \$100.0 million in any fiscal year. All other substantive terms of the Combined Credit Agreement remain unchanged.

On December 14, 2022, the Company amended the Combined Credit Agreement to allow for the sale of accounts receivable summarized above and in Note 2 of the Notes included herein. All other substantive terms of the Combined Credit Agreement remained unchanged.

Pursuant to the Combined Credit Agreement, the Company must maintain a Total Leverage Ratio (as defined in the Combined Credit Agreement) below a threshold an established in the Combined Credit Agreement, threshold. For the period ended December 31, 2022 December 31, 2023, the Company's calculation of each of this ratio, and the maximum permitted under the Combined Credit Agreement, respectively, were calculated based on the trailing twelve months as follows:

	December 31, 2022	2023
Total Leverage Ratio	2.42	3.10
Maximum per covenant	4.50	4.25

These ratios and measures are not based on GAAP and are not presented as alternative measures of operating performance or liquidity. Some of these ratios and measures include, among other things, pro forma adjustments for acquisitions, one-time charges, and other items, as defined in the Combined Credit Agreement. They are presented here to demonstrate compliance with the covenants in the Combined Credit Agreement, as non-compliance with such covenants could have a material adverse effect on the Company.

Material Cash Requirements

The Company's Brands enter into contractual commitments with media providers and agreements with production companies on behalf of its clients at levels that exceed the revenue from services. Some of our Brands purchase media for clients and act as an agent for a disclosed principal. These commitments are included in Accounts payable and Accrued media when the media services are delivered by the media providers. Stagwell takes precautions against default on payment for these services including the procurement of credit insurance and has historically had a very low incidence of default. Stagwell is still exposed to the risk of significant uncollectible receivables from our clients. The risk of a material loss could significantly increase in periods of severe economic downturn.

The following table summarizes current and long-term requirements as of December 31, 2022 December 31, 2023. Management anticipates that the obligations outstanding at December 31, 2022 December 31, 2023 will be repaid with new financing, equity offerings, asset sales and/or cash flow from operations:

Payments Due by Period												
							Payments Due by Period					
Material Cash Requirements	Material Cash Requirements	Payments Due by Period					Material Cash Requirements	Total	Less than 1 Year	1 – 3 Years	3 – 5 Years	After 5 Years
		Total	Less than 1 Year	1 – 3 Years	3 – 5 Years	After 5 Years						
		(dollars in thousands)										
		(dollars in thousands)							(dollars in thousands)			
Indebtedness ⁽¹⁾	Indebtedness ⁽¹⁾	\$1,100,000	\$ —	\$ —	\$ —	\$1,100,000						
Operating lease obligations	Operating lease obligations	432,241	91,084	137,286	84,752	119,119						
Interest on debt	Interest on debt	433,125	61,875	123,750	123,750	123,750						

Deferred acquisition consideration		161,323	90,183	66,937	4,203	—
Deferred acquisition consideration ⁽²⁾						
Total	Total	\$2,126,689	\$243,142	\$327,973	\$212,705	\$1,342,869

⁽¹⁾ Includes the principal amount of the 5.625% Notes which are due in 2029 and does not include borrowings under the Combined Credit Agreement.

⁽²⁾ Does not include amounts expected to be paid in shares of Class A Common Stock. As of December 31, 2023, \$29.3 million of the deferred acquisition consideration is expected to be settled in shares of Class A Common Stock.

Deferred acquisition consideration on the balance sheet consists of deferred obligations related to contingent and fixed purchase price payments. See Note 9 of the Notes included herein for additional information regarding contingent deferred acquisition consideration. As of December 31, 2022, approximately, \$51.0 million of the deferred acquisition consideration is expected to be settled in shares of Class A Common Stock.

When acquiring less than 100% ownership of an entity, the Company may enter into agreements that give the Company an option to purchase, or require the Company to purchase, the incremental ownership interests under certain circumstances. Where the incremental purchase may be required of the Company, the amounts are recorded as redeemable noncontrolling interests in mezzanine equity. See Note 13 of the Notes included herein for additional information regarding noncontrolling interests and redeemable noncontrolling interests.

Certain of the Company's subsidiaries grant awards to their employees providing them with an equity interest in the respective subsidiary (the "profits interests awards"). The awards generally provide the employee the right, but not the obligation, to sell its interest in the subsidiary to the Company based on a performance-based formula and, in certain cases, receive a profit share distribution.

The Company intends to finance the cash portion of these contingent payment obligations using available cash from operations, borrowings under the Combined Credit Agreement (or any refinancings thereof), and, if necessary, through the incurrence of additional debt and/or issuance of additional equity. The ultimate amount payable in the future relating to these transactions will vary because it is dependent on the future results of operations of the subject businesses and the timing of when these rights are exercised.

Critical Accounting Estimates

Stagwell has prepared the Audited Consolidated Financial Statements in accordance with GAAP and pursuant to the rules and regulations of the SEC for reporting financial information on Form 10-K. Preparation of the Audited Consolidated Financial Statements and related disclosures requires us to make judgments, assumptions and estimates that affect the amounts reported and disclosed in the accompanying financial statements and footnotes. Our significant accounting policies are discussed in Note 2 of the Notes included herein. Our critical accounting estimates are those that are considered by management to require significant judgment, use of estimates and that could have a significant impact on our financial statements. An understanding of our critical accounting estimates is necessary to analyze our financial results.

Our critical accounting estimates include our accounting for revenue recognition, business combinations, deferred acquisition consideration, redeemable noncontrolling interests, goodwill and intangible assets, and income taxes and stock-based compensation, taxes. The financial statements are evaluated on an ongoing basis and estimates are based on historical experience, current conditions and various other assumptions believed to be reasonable under the circumstances. Actual results can differ from those estimates, and it is possible that the differences could be material.

Revenue Recognition. The Company's revenue is recognized when control of the promised goods or services is transferred to our clients, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. See Note 5 of the Notes included herein for further information.

Business Combinations. Business combinations are accounted for using the acquisition method and accordingly, the assets acquired (including identified intangible assets), the liabilities assumed and any noncontrolling interest in the acquired business are recorded at their acquisition date fair values.

For each acquisition, the Company undertakes a detailed review to identify other intangible assets and a valuation is performed for all such identified assets. The Company uses several market participant measurements to determine the estimated value. This approach includes consideration of similar and recent transactions, as well as utilizing discounted expected cash flow methodologies. A substantial portion of the intangible asset value that the Company acquires is the specialized know-how of the workforce, which is treated as part of goodwill and is not required to be valued separately. The majority of the value of the identifiable intangible assets acquired is derived from customer relationships, including the related customer contracts, trademarks, developed technology and other intangible assets.

Deferred Acquisition Consideration. Certain acquisitions include an initial payment at the time of closing and provide for future additional contingent purchase price payments. Contingent purchase price obligations for these transactions are recorded as deferred acquisition consideration liabilities on the balance sheet. Arrangements that are not contingent upon future employment are initially measured at the acquisition date fair value and are remeasured at each reporting period. Arrangements that are contingent upon future employment are expensed as earned over the respective vesting (employment) period. These liabilities are derived from the projected performance of the acquired entity. These arrangements may be dependent on future events, such as the growth rate of the earnings of the relevant subsidiary during the contractual period. At each reporting date, the Company models each business' future performance, including revenue and EBITDA growth, net liquid assets and free cash flows, working capital, to estimate the value of each deferred acquisition consideration liability. The liability is adjusted quarterly based on changes in current information affecting each subsidiary's current operating results and the impact this information will have on future results included in the calculation of the estimated liability. These adjustments are recorded in the Consolidated Statements of Operations. In instances where such contingent payments require the sellers' continuous employment with the Company after the transaction, they are recorded as compensation expense in the Consolidated Statements of Operations.

Redeemable Noncontrolling Interests. Many of the Company's acquisitions include contractual arrangements where the noncontrolling shareholders may require the Company to purchase such noncontrolling shareholders' incremental ownership interests under certain circumstances. The Company has similar call options under the same contractual terms. The amount of consideration under these contractual arrangements is not a fixed amount, but rather is dependent upon various valuation formulas, such as the average earnings of the relevant subsidiary through the date of exercise or the growth rate of the earnings of the relevant subsidiary during that period. In the event that an incremental purchase may be required by the Company, the amounts are recorded in Redeemable Noncontrolling Interests in mezzanine equity on the Consolidated Balance Sheets at their

acquisition date fair value and adjusted for changes to their estimated redemption value through Retained earnings or Paid-in capital (when at an accumulated deficit) in the Consolidated Balance Sheets (but not less than their initial redemption value),

except for foreign currency translation adjustments. These adjustments will not impact the calculation of earnings (loss) per share if the redemption values are less than the estimated fair values.

Goodwill. Goodwill (the excess of the acquisition cost over the fair value of the net assets acquired) acquired as a result of a business combination which is not subject to amortization is tested for impairment, at the reporting unit level, annually as of October 1st of each year, or more frequently if indicators of potential impairment exist.

For the annual impairment test, the Company has the option of assessing qualitative factors to determine whether it is more likely than not that the carrying amount of a reporting unit exceeds its fair value or performing a quantitative goodwill impairment test. Qualitative factors considered in the assessment include industry and market considerations, the competitive environment, overall financial performance, changing cost factors such as labor costs, and other factors specific to each reporting unit such as change in management or key personnel.

If the Company elects to perform the qualitative assessment and concludes that it is more likely than not that the fair value of the reporting unit is more than its carrying amount, then goodwill is not considered impaired and the quantitative impairment test is not necessary. For reporting units for which the qualitative assessment concludes that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, the Company will perform the quantitative impairment test, which compares the fair value of the reporting unit to its carrying amount. If the fair value of the reporting unit exceeds the carrying amount of the net assets assigned to that reporting unit, goodwill is not considered impaired. However, if the fair value of the reporting unit is lower than the carrying amount of the net assets assigned to the reporting unit, an impairment charge is recognized equal to the excess of the carrying amount over the fair value.

Determining the fair value of a reporting unit involves the use of significant estimates and assumptions. The Company generally uses a combination of the income approach, which incorporates the use of the discounted cash flow ("DCF") method, and the market approach, which incorporates the use of earnings and revenue multiples based on market data, data and comparable companies. The Company generally applies an equal weighting to the income and market approaches for the impairment test. The income approach and the market approach both require the exercise of significant judgment, including judgment about the amount and timing of expected future cash flows, assumed terminal value and appropriate discount rates.

The DCF estimates incorporate expected cash flows that represent a spectrum of the amount and timing of possible cash flows of each reporting unit from a market participant perspective. The expected cash flows are developed from the Company's long-range planning process using projections of operating results and related cash flows based on assumed revenue growth rates, EBITDA margin, long-term growth rates, demand trends and appropriate discount rates based on a reporting unit's weighted average cost of capital ("WACC") as determined by considering the observable WACC of comparable companies and factors specific to the reporting unit. The terminal value is estimated using a constant growth method which requires an assumption about the expected long-term growth rate. The estimates are based on historical data and experience, industry projections, economic conditions, and the Company's expectations.

At each reporting period, the Company assesses whether it is more likely than not that the carrying amount of its reporting units exceed their fair value. As of October 1, 2022 October 1, 2023 (the annual impairment test date) and December 31, 2022, the Company performed this assessment and determined that certain reporting units' carrying values exceeded their fair value. As of October 1, 2022, the Company performed a quantitative impairment test for all reporting units (37) and as of December 31, 2022, the Company performed a quantitative impairment test for certain reporting units that were determined to be more likely than (11) did not impaired. As a result of these tests, management concluded there to be 8 reporting units with a carrying value in excess of their fair value resulting in have an impairment of \$116.7 million in 2022. The difference in carrying value versus fair value was primarily due to a combination of changes in fair value measures such as an increase in interest rates and decrease in market multiples of comparable public companies and financial forecasts below previous forecasts, impairment. The Company utilized a long-term average growth rate ranging from 1% to 4% and a WACC ranging from 11.50% to 20.00%. Of the remaining reporting units, approximately 50% have fair values that are substantially in excess of the carrying amounts. For the other reporting units, we performed a sensitivity analysis using the latest impairment assessment performed, which included an approximate 2% increase in the WACC (with the exception of one reporting unit where we utilized 1%), and concluded that this would not result in an impairment.

Based on our December 31, 2022 assessment, the fair value of two reporting units, with goodwill of approximately \$13 million, exceeded their carrying value by less than 20%. The Company believes the estimates and assumptions used in the calculations are reasonable. However, if there were an adverse change in the facts and circumstances, then an impairment charge may be necessary in the future. As a result, to the extent that, among other factors, (i) there is underperformance in one or more reporting units, or (ii) a potential recession further disrupts disruptions in the economic macroeconomic environment, or (iii) interest rates continue to rise in response to persistent inflation, the fair value of one or more of these reporting units could fall below their carrying value, resulting in a goodwill impairment charge. The Company monitors its reporting units to determine if there is an indicator of potential impairment.

Based on the annual assessment performed, a certain reporting unit, with goodwill of \$31.0 million as of December 31, 2023, did not have a substantial fair value in excess of its carrying value. This reporting unit included certain recent acquisitions of the Company and, accordingly, has a higher risk of impairment in future periods.

Income Taxes. We account for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized based on the differences between the financial statement carrying value of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates and laws expected to be in effect when the differences are expected to reverse. The Company records associated interest and penalties as a component of income tax expense. The Company records a valuation allowance against deferred income tax assets when management believes it is more likely than not that some portion or all of the deferred income tax assets will not be realized. Management evaluates on a quarterly basis all available positive and negative evidence considering factors such as the reversal of deferred income tax liabilities, taxable income in eligible carryback years, projected future taxable income, the character of the income tax asset, tax planning strategies, changes in tax laws and other factors. The periodic assessment of the net carrying value of the Company's deferred tax assets under the applicable accounting rules requires significant management judgment. A change to any of these factors could impact the estimated valuation allowance and income tax expense.

Stock-Based Compensation. Compensation cost is measured at fair value at the date of grant and is expensed over the service period, generally the award's vesting period. The Company recognizes forfeitures as they occur.

Certain of our awards are settled in cash (stock appreciation awards) and are recorded at fair value on the date of grant and remeasured as each reporting period. The measurement of the compensation cost for these awards is based on using the Black-Scholes option pricing model and is recorded in Operating income over the service period, in

this case the award's vesting period. The assumption for expected volatility is based on the historical volatility of a peer group of market participants as the Company has limited historical volatility.

The Company has adopted the straight-line attribution method for determining the compensation cost to be recorded during each accounting period. The Company commences recording compensation expense related to awards that are based on performance conditions under the straight-line attribution method when it is probable that such performance conditions will be met.

New Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2020-04, and in January 2021 subsequently issued ASU 2021-01, Facilitation See Note 2 of the Effects of Reference Rate Reform on Company's Audited Consolidated Financial Reporting, to provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. ASU 2020-04 is effective upon issuance, through December 31, 2022. The Combined Credit Agreement is the Company's only contractual arrangement that referenced LIBOR and is impacted by ASU 2020-04. On April 28, 2022, the Company amended the Combined Credit Agreement. Among other things, Statements included in this amendment replaced any references to LIBOR with references to SOFR. Based on the Company's assessment, the Company has elected to apply the optional expedient and treat the contract modifications as a continuation of an existing contract. This election does not have a material effect on our results of operations or financial position. Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, the Company is exposed to market risk related to interest rates, foreign currencies and impairment risk.

Debt Instruments: At December 31, 2022 December 31, 2023, the Company's debt obligations consisted of amounts outstanding under its Combined Credit Agreement and the 5.625% Notes. The 5.625% Notes bear a fixed 5.625% interest rate. The revolving credit agreement Credit Agreement bears interest at variable rates based upon SOFR, EURIBOR, and SONIA depending on the duration of the borrowing product. The Company's ability to obtain the required bank syndication commitments depends in part on conditions in the bank market at the time of syndication.

On April 28, 2022, the Company amended the Combined its Credit Agreement. This amendment replaced references to LIBOR with references to SOFR. With regard to our variable rate debt, a 10% increase or decrease in interest rates would change our annual interest expense by \$0.9 million \$2.5 million.

Foreign Exchange: While the Company primarily conducts business in markets that use the U.S. dollar, the Canadian dollar, the Euro and the British Pound, its non-U.S. operations transact business in numerous different currencies. The Company's results of operations are subject to risk from the translation to the U.S. dollar of the revenue and expenses of its non-U.S. operations. The effects of currency exchange rate fluctuations on the translation of the Company's results of operations are discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Note 2 of the Company's Audited Consolidated Financial Statements included in this 2022 the 2023 Form 10-K. For the most part, revenues and expenses incurred related to the non-U.S. operations are denominated in their functional currency. This reduces the impact that fluctuations in exchange rates will have on profit margins. Translation of intercompany debt, which is not intended to be repaid, is included in cumulative translation adjustments. Translation of current intercompany balances are included in net income (loss). The From time to time, the Company generally does not may enter into foreign currency forward exchange contracts or other derivative financial instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

Impairment Risk: For the year ended December 31, 2022 December 31, 2023, the Company recognized an impairment and other losses charge of \$122.2 million, primarily related to the impairment of goodwill, right-of-use leases assets and intangible assets.

The Company recognized an impairment charge of \$116.7 million to write-down the carrying value of goodwill in excess of the fair value. The Company reviews goodwill for impairment annually as of October 1st of each year or more frequently if indicators of potential impairment exist. To the extent that, among other factors, (i) there is underperformance in one or more reporting units (ii) a potential recession further disrupts the economic environment or (iii) interest rates continue to rise in response to persistent inflation, the fair value of one or more of the reporting units could fall below their carrying value, resulting in a goodwill impairment charge.

In addition, the Company recorded an impairment charge of \$1.4 million to reduce the carrying value of intangible assets and \$2.6 million \$11.4 million to reduce the carrying value of four of its right-of-use lease assets and related leasehold improvements.

improvements and a long-lived asset, specifically a trade name. See the Significant Accounting Policies section in the "Notes to Audited Consolidated Financial Statements" of the Company's 2023 Form 10-K for information related to impairment testing for Goodwill, Right-of-use lease assets and long-lived assets and the risk of potential impairment charges in future periods. See the Critical Accounting Estimates section in "Management's Discussion and Analysis of Financial Condition and Results of Operations" for information related to impairment testing and the risk of potential impairment charges in future periods.

Item 8. Financial Statements and Supplementary Data

STAGWELL INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the **shareholders and the** Board of Directors **and Shareholders** of Stagwell Inc.

Opinion

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance **sheets sheet** of Stagwell Inc. and subsidiaries (the "Company") as of **December 31, 2022** **December 31, 2023**, and **2021**, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for **each of the three years in the period year** ended **December 31, 2022** **December 31, 2023**, and including the related notes and **schedules listed in** schedule of valuation and qualifying accounts for the **Index** at year ended December 31, 2023 appearing under Item **15 15(a)** (collectively referred to as the "financial "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of **December 31, 2022 and 2021**, **December 31, 2023**, and the results of its operations and its cash flows for **each of the three years in the period year** ended **December 31, 2022**, **December 31, 2023** in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO because material weaknesses in internal control over financial reporting existed as of that date as the Company (i) lacked a sufficient complement of resources with an appropriate level of accounting knowledge, experience and training; (ii) did not design and maintain an effective risk assessment process at a precise enough level; (iii) did not design and maintain effective controls over information and communication; (iv) did not design and maintain effective monitoring controls; and (v) did not design and maintain effective control activities that address relevant risks across all business processes covering all significant accounts, including controls over the review of journal entries, account reconciliations and segregation of duties in the finance and accounting functions.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses referred to above are described in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. We **have also audited**, considered these material weaknesses in **accordance** determining the nature, timing, and extent of audit tests applied in our audit of the 2023 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in management's report referred to above. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 6, 2023, expressed an adverse opinion on the Company's internal control over financial reporting because of material weaknesses.

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 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 audit** in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or **fraud**, **fraud**, and whether effective internal control over financial reporting was maintained in all material respects.

Our **audits audit** of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated financial statements. Our **audits audit** also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our **audits provide audit** provides a reasonable basis for our **opinion**, **opinions**.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Stagwell Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheet of Stagwell Inc. and subsidiaries (the "Company") as of December 31, 2023, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for the year ended December 31, 2023, including the related notes and schedule of valuation and qualifying accounts for the year ended December 31, 2023 appearing under Item 15(a) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO because material weaknesses in internal control over financial reporting existed as of that date as the Company (i) lacked a sufficient complement of resources with an appropriate level of accounting knowledge, experience and training; (ii) did not design and maintain an effective risk assessment process at a precise enough level; (iii) did not design and maintain effective controls over information and communication; (iv) did not design and maintain effective monitoring controls; and (v) did not design and maintain effective control activities that address relevant risks across all business processes covering all significant accounts, including controls over the review of journal entries, account reconciliations and segregation of duties in the finance and accounting functions.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The critical material weaknesses referred to above are described in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. We considered these material weaknesses in determining the nature, timing, and extent of audit matters communicated below are matters arising from the current-period tests applied in our audit of the 2023 consolidated financial statements, that were communicated or and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in management's report referred to above. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be communicated independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit committee 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 consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting

was maintained in all material respects.

Our audit of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that (1) relate to accounts receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or disclosures timely detection of unauthorized acquisition, use, or disposition of the company's assets that are could have a material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion effect on the financial statements, taken as a whole, and we statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue — Refer to Notes 2 and 5 subject to the financial statements

Critical Audit Matter Description

The Company's revenue is primarily derived from the provision of marketing and communications services which includes strategy, creative and production for advertising campaigns, public relations services including strategy, editorial, crisis support or issues management, online fundraising, media training, influencer engagement and events management, media-based solutions to drive brand performance, including buying and planning, experiential marketing and application/website design and development. Each of the Company's operating companies (referred to as Brands) generate revenue from one or more of these services. The Brands have numerous customers and contracts, under a variety of contract terms and provisions. The volume of such contracts and the diversity of the terms in such contracts introduces significant complexity in assessing the accounting under the revenue accounting standard. This complexity includes the critical judgements around defining performance obligations and the recognition of revenue when or as the customer obtains control of the promised services in an amount risk that reflects the consideration expected to be received in exchange for those services, including the determination of presentation as principal or agent.

Given the volume and diversity of the Company's contracts, performing audit procedures to evaluate whether revenue was appropriately recorded, required a high degree of auditor judgement and an increased extent of audit effort and is therefore considered a critical audit matter.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the testing of the Company's application of revenue accounting standard to their revenue contracts included the following, among others:

- Assessed the nature and amount of revenue recorded by Brand and evaluated the overall application of the revenue accounting standard.
- Selected a sample of contracts, specifically including individually material revenue contracts, across the Brands and types of contracts. Testing included consideration of the specific application of the revenue accounting standard, including the identification of the performance obligation(s), the evaluation of the methods applied in the recognition and measurement of revenue, and the verification of the timing of delivery, transaction price and performance of services related to the revenue recorded, including the determination of presentation as principal or agent
- Tested the mathematical accuracy of revenue recorded for each selection based on audit evidence obtained.

Goodwill — Refer to Notes 2 and 8 to the financial statements

Critical Audit Matter Description

The Company's goodwill has been derived from numerous acquisitions, including but not limited to the merger with MDC Partners in August 2021. As a result, the Company has over 30 reporting units, each having similar but different revenue streams and business models. Management performed a quantitative impairment analysis for a number of reporting units to determine their fair values using the income approach and market approach. This determination of the fair value requires management to make significant estimates and assumptions. Such assumptions include forecasted business performance (both revenue and earnings before interest, taxes, depreciation and amortization (EBITDA) based on the strategic operating plan), discount rates, and market multiples.

Given the volume of reporting units where a quantitative impairment analysis was performed and differences in their underlying revenue streams and business models, performing audit procedures to evaluate the reasonableness of the Company's estimates and assumptions within the goodwill impairment assessment required a high degree of auditor judgment and an increased extent of effort and is therefore considered a critical audit matter.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the testing of the Company's goodwill impairment assessment included the following, among others:

- Assessed the amount of goodwill by reporting unit and evaluated the sensitivity controls may become inadequate because of changes in conditions, or that the assumptions on degree of compliance with the results of the impairment test for the reporting unit, policies or procedures may deteriorate.
- Based on this assessment, within certain reporting units, we
 - Assessed the reasonableness of the Company's forecasted revenue growth and EBITDA margin by comparing the forecasts to historical results and external economic data including peers, industry data and wider economic forecasts;
 - Evaluated the Company's ability to accurately forecast future revenue and EBITDA by comparing actual results to the Company's historical forecasts;

- Evaluated whether the forecasts were consistent with evidence obtained in other areas of the audit.
- With the assistance of our fair value specialists, evaluated the reasonableness of the discount rates and market multiples used by evaluating the methodology selected by the Company and by:
- Testing the source information underlying the determination of the market multiples and discount rates and testing the mathematical accuracy of the calculations.
- Developing a range of independent estimates and comparing those to the discount rate selected by the Company.
- Assessing the methodology applied in the discount rate calculation against market practice valuation techniques.
- Comparing the market multiples selected for each reporting unit to that of its guideline peer companies.

/s/ Deloitte & Touche LLP

New York, NY

March 6, 2023

We have served as the Company's auditor since 2020.

STAGWELL INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Stagwell Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheet of Stagwell Inc. and subsidiaries (the "Company") as of December 31, 2023, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for the year ended December 31, 2023, including the related notes and schedule of valuation and qualifying accounts for the year ended December 31, 2023 appearing under Item 15(a) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO because material weaknesses in internal control over financial reporting existed as of that date as the Company (i) lacked a sufficient complement of resources with an appropriate level of accounting knowledge, experience and training; (ii) did not design and maintain an effective risk assessment process at a precise enough level; (iii) did not design and maintain effective controls over information and communication; (iv) did not design and maintain effective monitoring controls; and (v) did not design and maintain effective control activities that address relevant risks across all business processes covering all significant accounts, including controls over the review of journal entries, account reconciliations and segregation of duties in the finance and accounting functions.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses referred to above are described in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. We considered these material weaknesses in determining the nature, timing, and extent of audit tests applied in our audit of the 2023 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in management's report referred to above. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audit of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Assessments – Brand Performance Network Reporting Unit and Certain Reporting Units in the Integrated Agencies Network, Communications Network, and All Other Segments

As described in Notes 2 and 8 to the consolidated financial statements, the Company's goodwill balance was \$1,499 million as of December 31, 2023, and the goodwill associated with the Brand Performance Network Reporting Unit, Integrated Agencies Network segment, Communications Network segment, and All Other segment was \$442 million, \$881 million, \$137 million, and \$39 million, respectively. Management tests goodwill for impairment, at the reporting unit level, annually as of October 1st of each year, or more frequently if indicators of potential impairment exist. For reporting units for which the qualitative assessment concludes that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, management performs a quantitative impairment test, which compares the fair value of the reporting unit to its carrying amount. If the fair value of the reporting unit exceeds the carrying amount of the net assets assigned to that reporting unit, goodwill is not considered impaired. Determining the fair value of a reporting unit involves the use of significant estimates and assumptions. Management generally uses a combination of the income approach, which incorporates the use of the discounted cash flow method, and the market approach, which incorporates the use of earnings multiples based on market data and comparable companies, and applies an equal weighting to the income and market approaches for the impairment test. The income approach and the market approach both require the exercise of significant judgment, including judgment about the amount and timing of expected future cash flows, assumed terminal value and appropriate discount rates. The expected cash flows are developed from the Company's long-range planning process using projections of operating results and related cash flows based on assumed revenue growth rates, EBITDA margin, long-term growth rates, and discount rates based on a reporting unit's weighted average cost of capital.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessments for the Brand Performance Network reporting unit and certain reporting units in the Integrated Agencies Network, Communications Network, and All Other segments (collectively the "aforementioned reporting units") is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the aforementioned reporting units; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to revenue growth rates, EBITDA margin, long-term growth rates, discount rates, comparable companies, and earnings multiples for the aforementioned reporting units; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge. As described in the "Opinions on the Financial Statements and Internal Control over Financial Reporting" section, material weaknesses were identified that impacted this matter.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, (i) evaluating and determining the nature and extent of audit procedures performed and evidence obtained that are responsive to the material weaknesses identified; (ii) testing management's process for developing the fair value estimate of the aforementioned reporting units; (iii) evaluating the appropriateness of the income and market approaches used by management; (iv) testing the completeness and accuracy of underlying data used in the income and market approaches; and (v) evaluating the reasonableness of the significant assumptions used by management related to revenue growth rates, EBITDA margin, long-term growth rates, discount rates,

comparable companies, and earnings multiples. Evaluating management's assumptions related to revenue growth rates, EBITDA margin, and long-term growth rates involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the aforementioned reporting units; (ii) the consistency with external market and industry data; and (iii) whether the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the income and market approaches; (ii) the weighting of the approaches; and (iii) the reasonableness of the long-term growth rates, discount rates, comparable companies, and earnings multiples assumptions for each of the reporting units.

/s/PricewaterhouseCoopers LLP
New York, NY

March 11, 2024

We have served as the Company's auditor since 2023.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Stagwell, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Stagwell, Inc. and subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the two years in the period ended December 31, 2022, and the related notes and schedules listed in the Index at Item 15 (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, 2022 and 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, 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 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. 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

New York, NY

March 6, 2023 (March 11, 2024 as to the effects of the restatement discussed in Note 21)

We began serving as the Company's auditor in 2020. In 2023 we became the predecessor auditor.

STAGWELL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands, except per share amounts)

		Year Ended December 31,			Year Ended December 31,		
		2022	2021	2020	2023	2022	2021
Revenue	Revenue	\$2,687,792	\$1,469,363	\$888,032			
Operating Expenses	Operating Expenses						
Cost of services	Cost of services	1,673,576	906,856	571,588			
Cost of services							
Cost of services							
Office and general expenses	Office and general expenses	601,536	424,038	191,679			
Depreciation and amortization	Depreciation and amortization	131,273	77,503	41,025			
Impairment and other losses	Impairment and other losses	122,179	16,240	—			
		2,528,564	1,424,637	804,292			
		2,436,650					
Operating Income	Operating Income	159,228	44,726	83,740			
Other income (expenses):	Other income (expenses):						

Interest expense, net	Interest expense, net	(76,062)	(31,894)	(6,223)
Interest expense, net				
Interest expense, net				
Foreign exchange, net	Foreign exchange, net	(2,606)	(3,332)	(721)
Gain on sale of business				
Other, net	Other, net	(7,059)	50,058	544
		(85,727)	14,832	(6,400)
542				
Income before income taxes and equity in earnings of non-consolidated affiliates	Income before income taxes and equity in earnings of non-consolidated affiliates	73,501	59,558	77,340
Income tax expense	Income tax expense	7,580	23,398	5,937
Income before equity in earnings of non-consolidated affiliates	Income before equity in earnings of non-consolidated affiliates	65,921	36,160	71,403
Equity in income (loss) of non-consolidated affiliates		(79)	(240)	58
Equity in (loss) of non-consolidated affiliates				
Net income	Net income	65,842	35,920	71,461
Net income attributable to noncontrolling and redeemable noncontrolling interests		(38,573)	(14,884)	(15,105)
Net (income) loss attributable to noncontrolling and redeemable noncontrolling interests				
Net income attributable to Stagwell Inc. common shareholders	Net income attributable to Stagwell Inc. common shareholders	\$ 27,269	\$ 21,036	\$ 56,356
Income Per Common Share:				
Earnings (Loss) Per Common Share:				
Earnings (Loss) Per Common Share:				

Earnings (Loss) Per Common Share:				
Basic	Basic			
Net income attributable to Stagwell Inc. common shareholders				
		\$	0.22	\$ (0.04) N/A
Basic				
Basic				
Diluted	Diluted			
Net income attributable to Stagwell Inc. common shareholders				
		\$	0.17	\$ (0.04) N/A
Diluted				
Diluted				
Weighted Average Number of Common Shares Outstanding:	Weighted Average Number of Common Shares Outstanding:			
Basic	Basic	124,262	90,426	N/A
Basic				
Basic				
Diluted	Diluted	296,596	90,426	N/A

See [notes](#) [Notes](#) to the [audited](#) [Audited](#) Consolidated Financial Statements.

STAGWELL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(amounts in thousands)

	Year Ended December 31,		
	2022	2021	2020
COMPREHENSIVE INCOME			
Net income	\$ 65,842	\$ 35,920	\$ 71,461
Other comprehensive loss			
Foreign currency translation adjustment	(37,751)	(6,000)	2,371
Benefit plan adjustment	4,088	722	—
Net unrealized loss on available for sale investment	—	—	(5,156)
Other comprehensive loss	(33,663)	(5,278)	(2,785)
Comprehensive income for the period	32,179	30,642	68,676
Comprehensive loss attributable to the noncontrolling and redeemable noncontrolling interests	(38,573)	(14,884)	(15,105)
Comprehensive income (loss) attributable to Stagwell Inc. common shareholders	\$ (6,394)	\$ 15,758	\$ 53,571

	Year Ended December 31,		
	2023	2022	2021
COMPREHENSIVE INCOME (LOSS)			
Net income	\$ 41,642	\$ 50,044	\$ 35,920
Other comprehensive (loss) - Foreign currency translation adjustment	7,996	(37,773)	(6,000)
Other comprehensive income - Benefit plan adjustment	338	4,088	722
Other comprehensive (loss)	8,334	(33,685)	(5,278)
Comprehensive income for the period	49,976	16,359	30,642
Comprehensive (income) loss attributable to the noncontrolling and redeemable noncontrolling interests	(47,431)	(6,640)	(14,884)
Comprehensive income (loss) attributable to Stagwell Inc. common shareholders	\$ 2,545	\$ 9,719	\$ 15,758

See **notes** **Notes** to the **audited** **Audited** Consolidated Financial Statements.

STAGWELL INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(amounts in thousands)

		December 31, 2022	December 31, 2021		December 31, 2023	December 31, 2022
ASSETS						
ASSETS						
ASSETS	ASSETS					
Current Assets	Current Assets			Current Assets		
Cash and cash equivalents	Cash and cash equivalents	\$ 220,589	\$ 184,009			
Accounts receivable, net	Accounts receivable, net	645,846	696,937			
Expenditures billable to clients	Expenditures billable to clients	93,077	63,065			
Other current assets	Other current assets	71,443	61,830			
Total Current Assets	Total Current Assets	1,030,955	1,005,841			
Fixed assets, net	Fixed assets, net	98,878	97,516			
Right-of-use lease assets - operating leases	Right-of-use lease assets - operating leases	273,567	311,654			
Goodwill	Goodwill	1,566,956	1,652,723			
Other intangible assets, net	Other intangible assets, net	907,529	958,782			
Other assets	Other assets	115,447	29,064			
Total Assets	Total Assets	\$3,993,332	\$4,055,580			
LIABILITIES, RNCI, AND SHAREHOLDERS' EQUITY						
LIABILITIES, RNCI, AND SHAREHOLDERS' EQUITY	LIABILITIES, RNCI, AND SHAREHOLDERS' EQUITY					
Current Liabilities	Current Liabilities					
Current Liabilities						
Current Liabilities						
Accounts payable	Accounts payable					
Accounts payable	Accounts payable					
Accounts payable	Accounts payable	\$ 357,253	\$ 271,769			
Accrued media	Accrued media	240,506	237,794			
Accruals and other liabilities	Accruals and other liabilities	248,477	272,533			
Advance billings	Advance billings	337,034	361,885			
Current portion of lease liabilities - operating leases	Current portion of lease liabilities - operating leases	76,349	72,255			
Current portion of deferred acquisition consideration	Current portion of deferred acquisition consideration	90,183	77,946			
Total Current Liabilities	Total Current Liabilities	1,349,802	1,294,182			

Long-term debt	Long-term debt	1,184,707	1,191,601
Long-term portion of deferred acquisition consideration	Long-term portion of deferred acquisition consideration	71,140	144,423
Long-term lease liabilities - operating leases	Long-term lease liabilities - operating leases	294,049	342,730
Deferred tax liabilities, net	Deferred tax liabilities, net	40,109	103,093
Other liabilities	Other liabilities	69,780	57,147
Total Liabilities	Total Liabilities	3,009,587	3,133,176
Redeemable Noncontrolling Interests	Redeemable Noncontrolling Interests	39,111	43,364
Commitments, Contingencies and Guarantees (Note 14)	Commitments, Contingencies and Guarantees (Note 14)		
Shareholders' Equity	Shareholders' Equity		
Common shares - Class A & B	Common shares - Class A & B	132	118
Common shares - Class A & B	Common shares - Class A & B		
Common shares - Class C	Common shares - Class C	2	2
Paid-in capital	Paid-in capital	491,899	382,893
Accumulated income (deficit)	Accumulated income (deficit)	29,445	(6,982)
Paid-in capital	Paid-in capital		
Retained earnings	Retained earnings		
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(38,941)	(5,278)
Stagwell Inc. Shareholders' Equity	Stagwell Inc. Shareholders' Equity	482,537	370,753
Noncontrolling interests	Noncontrolling interests	462,097	508,287
Total Shareholders' Equity	Total Shareholders' Equity	944,634	879,040
Total Liabilities, Redeemable Noncontrolling Interests and Shareholders' Equity	Total Liabilities, Redeemable Noncontrolling Interests and Shareholders' Equity	\$3,993,332	\$4,055,580

See **notes** **Notes** to the **audited** **Audited** Consolidated Financial Statements.

STAGWELL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)

		Year Ended December 31,			Year Ended December 31,		
		2022	2021	2020			
2023					2023	2022	2021
Cash flows from operating activities:	Cash flows from operating activities:						
Net income	Net income						
Net income	Net income	\$ 65,842	\$ 35,920	\$ 71,461			
Adjustments to reconcile net income to cash provided by operating activities:	Adjustments to reconcile net income to cash provided by operating activities:						
Stock-based compensation	Stock-based compensation	33,152	75,032	—			
Stock-based compensation	Stock-based compensation						
Depreciation and amortization	Depreciation and amortization	131,273	77,503	41,025			
Amortization of right-of-use lease assets and lease liability interest	Amortization of right-of-use lease assets and lease liability interest						
Impairment and other losses	Impairment and other losses	122,179	16,240	—			
Provision for bad debt expense	Provision for bad debt expense	7,755	2,031	6,222			
Deferred income taxes	Deferred income taxes	(18,319)	(3,818)	(5,463)			
Adjustment to deferred acquisition consideration	Adjustment to deferred acquisition consideration	(13,405)	18,721	4,520			
Gain on sale of asset	Gain on sale of asset	—	(43,440)	—			
Interest from preferred investments	Interest from preferred investments	—	—	(600)			
Transaction costs contributed by Stagwell Media LP	Transaction costs contributed by Stagwell Media LP	—	—	10,160			
Foreign currency translation loss on foreign denominated debt	Foreign currency translation loss on foreign denominated debt	—	—	721			
Gain on sale of business	Gain on sale of business						
Other, net	Other, net	(5,692)	(1,463)	1,271			
Changes in working capital:	Changes in working capital:						
Accounts receivable	Accounts receivable						
Accounts receivable	Accounts receivable						

Accounts receivable	Accounts receivable	37,780	(30,784)	(26,805)
Expenditures billable to clients	Expenditures billable to clients	(32,366)	(35,371)	10,078
Other assets	Other assets	1,179	3,997	(10,461)
Accounts payable	Accounts payable	98,871	(46,356)	5,606
Accrued expenses and other liabilities	Accrued expenses and other liabilities	(42,808)	61,974	22,922
Advance billings	Advance billings	(27,062)	76,021	7,423
Current portion of lease liabilities - operating leases				
Deferred acquisition related payments	Deferred acquisition related payments	(10,793)	(5,351)	—
Net cash provided by operating activities	Net cash provided by operating activities	347,586	200,856	138,080
Cash flows from investing activities:	Cash flows from investing activities:			
Capital expenditures	Capital expenditures	(22,663)	(8,797)	(4,690)
Current period acquisitions, net of cash acquired		(74,234)	150,346	(14,732)
Capital expenditures				
Capital expenditures				
Acquisitions, net of cash acquired				
Capitalized software				
Proceeds from sale of business, net	Proceeds from sale of business, net	—	37,232	—
Capitalized software and other		(19,378)	(14,829)	(9,599)
Net cash (used in) provided by investing activities		(116,275)	163,952	(29,021)
Other				
Net cash provided by (used in) investing activities				
Cash flows from financing activities:	Cash flows from financing activities:			

Repayment of borrowings under revolving credit facility	Repayment of borrowings under revolving credit facility	(1,266,000)	(719,088)	(126,994)
Repayment of borrowings under revolving credit facility				
Repayment of borrowings under revolving credit facility				
Proceeds from borrowings under revolving credit facility	Proceeds from borrowings under revolving credit facility	1,255,500	516,669	167,000
Shares acquired and cancelled		(18,729)	(841)	—
Distributions to noncontrolling interests and other		(39,197)	—	—
Shares repurchased and cancelled				
Distributions to noncontrolling interests				
Payment of deferred consideration	Payment of deferred consideration	(63,170)	—	(1,000)
Contributions		—	—	1,554
Purchase of noncontrolling interest				
Purchase of noncontrolling interest				
Purchase of noncontrolling interest	Purchase of noncontrolling interest	(3,600)	(37,500)	(1,559)
Proceeds from issuance of the 5.625% Notes	Proceeds from issuance of the 5.625% Notes	—	1,100,000	—
Debt issuance costs	Debt issuance costs	—	(15,053)	(3,099)
Payment of contingent consideration		—	—	(500)
Distributions	Distributions	—	(233,203)	(115,543)
Distributions				
Distributions				
Repurchase of 7.50% Senior Notes				
Net cash used in financing activities				
Net cash used in financing activities				

Net cash used in financing activities

Effect of exchange rate changes on cash and cash equivalents

Net increase (decrease) in cash and cash equivalents

STAGWELL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS - (continued)
(amounts in thousands)

		Year Ended December 31,			Year Ended December 31,		
		2022	2021	2020	2023	2022	2021
Repurchase of 7.50% Senior Notes		—	(884,398)	—			
Repurchase of Common Stock		(51,540)	—	—			
Net cash used in financing activities		(186,736)	(273,414)	(80,141)			
Effect of exchange rate changes on cash and cash equivalents		(7,995)	158	(321)			
Net increase in cash and cash equivalents		36,580	91,552	28,597			
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	184,009	92,457	63,860			
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	\$220,589	\$184,009	\$92,457			
Supplemental Cash Flow Information:	Supplemental Cash Flow Information:						
Supplemental Cash Flow Information:	Supplemental Cash Flow Information:						
Cash income taxes paid	Cash income taxes paid	\$ 46,275	\$ 58,578	\$10,714			
Cash interest paid	Cash interest paid	70,935	23,528	9,287			
Non-cash investing and financing activities:	Non-cash investing and financing activities:						

Non-cash investing and financing activities:				
Non-cash investing and financing activities:				
Acquisitions of business				
Acquisitions of business				
Acquisitions of business	Acquisitions of business	1,178	425,752	23,720
Acquisitions of noncontrolling interest	Acquisitions of noncontrolling interest	1,000	170,266	—
Issuance of redeemable noncontrolling interest	Issuance of redeemable noncontrolling interest	—	27,820	—
Net unrealized gain on available for sale investment		—	—	5,156
Establishment of a deferred tax asset related to the exchange	Establishment of a deferred tax asset related to the exchange	32,890	—	—
Establishment of Tax Receivables Agreement liability	Establishment of Tax Receivables Agreement liability	28,694	—	—
Conversion of Class C to Class A shares	Conversion of Class C to Class A shares	47,930	—	—
Finalization of Stagwell, Inc's tax basis in Stagwell Global, LLC		119,470	—	—
Conversion of Class C to Class A shares				
Conversion of Class C to Class A shares				
Finalization of Stagwell Inc's tax basis in Stagwell Global, LLC				
Non-cash contributions	Non-cash contributions	—	12,372	93,880
Non-cash distributions to Stagwell Media LP	Non-cash distributions to Stagwell Media LP	—	13,000	—
Non-cash payment of deferred acquisition consideration	Non-cash payment of deferred acquisition consideration	989	7,080	64,345
Conversion of preferred shares	Conversion of preferred shares	—	209,947	—

See **notes** Notes to the **audited** Audited Consolidated Financial Statements.

STAGWELL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(amounts in thousands)

STGMDC1201

	Year Ended December 31, 2023											
	Common Shares -		Common Shares -		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Stagwell Inc. Shareholders' Equity	Noncontrolling Interests	Shareholders' Equity		
	Class A & B		Class C									
	Shares	Amount	Shares	Amount								
Balance at December 31, 2022	131,724	\$ 132	160,909	\$ 2	\$ 491,899	\$ 22,095	\$ (15,478)	\$ 498,650	\$ 430,164	\$ 928,814		
Net income	—	—	—	—	—	134	—	134	41,508	41,642		
Other comprehensive income	—	—	—	—	—	—	2,411	2,411	5,923	8,334		
Total other comprehensive income	—	—	—	—	—	134	2,411	2,545	47,431	49,976		
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(19,164)	(19,164)		
Purchases of noncontrolling interest	—	—	—	—	3,257	—	—	3,257	—	3,257		
Changes in redemption value of RNCI	—	—	—	—	—	(442)	—	(442)	—	(442)		
Restricted awards granted or vested	5,548	6	—	—	462	—	—	468	—	468		
Shares repurchased and cancelled	(35,527)	(36)	—	—	(225,469)	—	—	(225,505)	—	(225,505)		
Restricted shares forfeited	(67)	—	—	—	—	—	—	—	—	—		
Stock-based compensation	—	—	—	—	49,674	—	—	49,674	—	49,674		
Change in ownership held by Class C holders	—	—	—	—	(10,858)	—	—	(10,858)	10,858	—		
Shares issued, acquisitions	7,530	8	—	—	41,152	—	—	41,160	—	41,160		
Conversion of Class C to Class A shares	9,260	9	(9,260)	—	(9)	—	—	—	—	—		
Other ⁽¹⁾	1	(1)	—	—	(1,614)	(639)	—	(2,254)	(712)	(2,966)		
Balance at December 31, 2023	118,469	\$ 118	151,649	\$ 2	\$ 348,494	\$ 21,148	\$ (13,067)	\$ 356,695	\$ 468,577	\$ 825,272		

	Year Ended December 31, 2022										
	Common Shares - Class A & B		Common Shares - Class C		Paid-in Capital	Accumulated	Other	Stagwell Inc.	Noncontrolling Interests	Shareholders' Equity	
						Income	Comprehensive	Shareholders'			
						(Deficit)	Loss	Equity			
Shares	Amount	Shares	Amount								
Balance at December 31, 2021	118,252	\$ 118	179,970	\$ 2	\$ 382,893	\$ (6,982)	\$ (5,278)	\$ 370,753	\$ 508,287	\$ 879,040	
Net income	—	—	—	—	—	27,269	—	27,269	30,438	57,707	
Other comprehensive loss	—	—	—	—	—	—	(33,663)	(33,663)	—	(33,663)	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(29,957)	(29,957)	
Purchases of noncontrolling interests	—	—	—	—	(1,000)	—	—	(1,000)	(3,600)	(4,600)	
Acquisition of noncontrolling interest	—	—	—	—	—	—	—	—	2,667	2,667	
Shares issued (Acquisition)	175	—	—	—	1,178	—	—	1,178	—	1,178	
Changes in redemption value of RNCI	—	—	—	—	—	8,711	—	8,711	—	8,711	
Restricted awards granted or vested	3,940	4	—	—	(4)	—	—	—	—	—	
Shares repurchased and cancelled (withheld for payroll taxes)	(2,531)	(3)	—	—	(18,729)	—	—	(18,732)	—	(18,732)	
Restricted shares forfeited	(221)	—	—	—	—	—	—	—	—	—	
Shares repurchased and cancelled (Approved plan)	(7,194)	(7)	—	—	(51,540)	—	—	(51,547)	—	(51,547)	

Stock-based compensation	—	—	—	—	34,974	—	—	34,974	—	34,974
Conversion of Class C to Class A shares	19,061	19	(19,061)	—	47,911	—	—	47,930	(47,930)	—
Finalization of Stagwell, Inc's tax basis in Stagwell Global, LLC	—	—	—	—	119,470	—	—	119,470	—	119,470
Finalization of MDC acquisition accounting and associated impact on Stagwell Inc.	—	—	—	—	(16,294)	—	—	(16,294)	2,301	(13,993)
Other	242	1	—	—	(6,960)	447	—	(6,512)	(109)	(6,621)
Balance at December 31, 2022	131,724	\$ 132	160,909	\$ 2	\$ 491,899	\$ 29,445	\$ (38,941)	\$ 482,537	\$ 462,097	\$ 944,634

(4)The Other line within Paid-in Capital includes \$1.6 million resulting from the modification of certain stock-appreciation rights from equity to cash settled that were subsequently exercised in equity.

See [notes](#) [Notes](#) to the [audited](#) [Audited](#) Consolidated Financial Statements.

STAGWELL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY - (continued)
(amounts in thousands)

	Year Ended December 31, 2021												
	Members' capital	Convertible Preference Shares		Common Shares - Class A & B		Common Shares - Class C		Paid-in Capital	Accumulated	Other	Stagwell Inc.	Noncontrolling Interests	Shareholders' Equity
			Amount		Amount		Amount		Income	Comprehensive	Shareholders'		
									(Deficit)	Loss	Equity		
Balance at December 31, 2020	\$ 358,756	—	\$ —	—	\$ —	—	\$ —	\$ —	\$ —	\$ —	\$ 358,756	\$ 39,787	\$ 398,543
Net income prior to reorganization	24,742	—	—	—	—	—	—	—	—	—	24,742	2,693	27,435
Other comprehensive loss	(375)	—	—	—	—	—	—	—	—	—	(375)	—	(375)
Contributions	250	—	—	—	—	—	—	—	—	—	250	—	250
Distributions, net	(204,929)	—	—	—	—	—	—	—	—	—	(204,929)	—	(204,929)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	—	(11,936)	(11,936)
Changes in redemption value of RNCI	(72)	—	—	—	—	—	—	—	—	—	(72)	—	(72)
Other	—	—	—	—	—	—	—	—	—	—	—	(300)	(300)
Effect of reorganization	(178,372)	123,849	209,980	78,794	77	179,970	2	110,555	—	—	142,242	636,416	778,658
Reclass NCI to Liability	—	—	—	—	—	—	—	—	—	—	—	(8,475)	(8,475)
Impact of PPA adjustment to noncontrolling interests	—	—	—	—	1	—	—	8,845	—	—	8,846	(1,549)	7,297
Net income (loss) attributable to Stagwell Inc.	—	—	—	—	—	—	—	—	(3,706)	—	(3,706)	12,602	8,896
Other comprehensive loss	—	—	—	—	—	—	—	—	—	(5,278)	(5,278)	—	(5,278)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	—	(16,338)	(16,338)
Changes in redemption value of RNCI	—	—	—	—	—	—	—	—	(3,834)	—	(3,834)	—	(3,834)
Restricted awards granted or vested	—	—	—	1,962	2	—	—	(2)	—	—	—	—	—
Shares acquired and cancelled	—	—	—	(14)	—	—	—	(841)	—	—	(841)	—	(841)
Stock-based compensation	—	—	—	—	—	—	—	70,427	—	—	70,427	—	70,427
Reclass noncontrolling interests to RNCI	—	—	—	—	—	—	—	(25,236)	—	—	(25,236)	(2,719)	(27,955)
Purchases of noncontrolling interests	—	—	—	4,476	5	—	—	(14,138)	—	—	(14,133)	(143,134)	(157,267)
Tax impact on step up transactions	—	—	—	—	—	—	—	23,108	—	—	23,108	—	23,108
Conversion of shares	—	(123,849)	(209,980)	33,035	33	—	—	209,947	—	—	—	—	—
Other	—	—	—	—	—	—	—	228	558	—	786	1,240	2,026

Balance at December 31, 2021	\$	—	—	\$	—	118,252	\$	118	179,970	\$	2	\$	382,893	\$	(6,982)	\$	(5,278)	\$	370,753	\$	508,287	\$	879,040

	Year Ended December 31, 2022										
							Stagwell Inc.				
	Common Shares -		Common Shares -		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Stagwell Inc. Shareholders' Equity	Noncontrolling Interests	Shareholders' Equity	
	Class A & B		Class C								
	Shares	Amount	Shares	Amount							
Balance at December 31, 2021	118,252	\$ 118	179,970	\$ 2	\$ 382,893	\$ (6,982)	\$ (5,278)	\$ 370,753	\$ 508,287	\$ 879,040	
Net income	—	—	—	—	—	19,919	—	19,919	30,125	50,044	
Other comprehensive loss	—	—	—	—	—	—	(10,200)	(10,200)	(23,485)	(33,685)	
Total other comprehensive income (loss)	—	—	—	—	—	19,919	(10,200)	9,719	6,640	16,359	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(29,957)	(29,957)	
Purchases of noncontrolling interests	—	—	—	—	(1,000)	—	—	(1,000)	(3,600)	(4,600)	
Acquisition of noncontrolling interest	—	—	—	—	—	—	—	—	2,667	2,667	
Changes in redemption value of RNCI	—	—	—	—	—	8,711	—	8,711	—	8,711	
Restricted awards granted or vested	3,940	4	—	—	(4)	—	—	—	—	—	
Shares repurchased and cancelled	(9,725)	(10)	—	—	(70,269)	—	—	(70,279)	—	(70,279)	
Restricted shares forfeited	(221)	—	—	—	—	—	—	—	—	—	
Stock-based compensation	—	—	—	—	34,974	—	—	34,974	—	34,974	
Shares issued, acquisitions	175	—	—	—	1,178	—	—	1,178	—	1,178	
Conversion of Class C to Class A shares	19,061	19	(19,061)	—	47,911	—	—	47,930	(47,930)	—	
Finalization of Stagwell Inc's tax basis in Stagwell Global, LLC	—	—	—	—	119,470	—	—	119,470	—	119,470	
Finalization of MDC acquisition accounting and associated impact on Stagwell Inc.	—	—	—	—	(16,294)	—	—	(16,294)	2,301	(13,993)	
Other	242	1	—	—	(6,960)	447	—	(6,512)	(8,244)	(14,756)	
Balance at December 31, 2022	131,724	\$ 132	160,909	\$ 2	\$ 491,899	\$ 22,095	\$ (15,478)	\$ 498,650	\$ 430,164	\$ 928,814	

See [notes](#) [Notes](#) to the [audited](#) [Audited](#) Consolidated Financial Statements

STAGWELL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY - (continued)
(amounts in thousands)

	Year Ended December 31, 2020												
	Members' capital	Convertible Preference Shares		Common Shares - Class A & B		Common Shares - Class C		Paid-in Capital	Accumulated	Other	Stagwell Inc.	Noncontrolling Interests	Shareholders' Equity
									Income	Comprehensive	Shareholders'		
									(Deficit)	Income	Equity		
		Shares	Amount	Shares	Amount	Shares	Amount						
Balance at December 31, 2019	\$ 316,960	—	\$ —	—	\$ —	—	\$ —	\$ —	\$ —	\$ —	\$ 316,960	\$ 31,577	\$ 348,537
Net income attributable to Stagwell Inc.	56,356	—	—	—	—	—	—	—	—	—	56,356	18,231	74,587
Other comprehensive loss	(2,785)	—	—	—	—	—	—	—	—	—	(2,785)	—	(2,785)
Contributions	95,434	—	—	—	—	—	—	—	—	—	95,434	—	95,434
Distributions	(108,468)	—	—	—	—	—	—	—	—	—	(108,468)	(7,075)	(115,543)
Changes in redemption value of RNCI	(128)	—	—	—	—	—	—	—	—	—	(128)	—	(128)
Other	1,387	—	—	—	—	—	—	—	—	—	1,387	(2,946)	(1,559)
Balance at December 31, 2020	\$ 358,756	—	\$ —	—	\$ —	—	\$ —	\$ —	\$ —	\$ —	\$ 358,756	\$ 39,787	\$ 398,543

	Year Ended December 31, 2021													
	Members'	Convertible Preference		Common Shares -		Common Shares -		Paid-in	Retained	Accumulated	Stagwell Inc.	Noncontrolling	Shareholders'	
	capital	Shares		Class A & B		Class C		Capital	Earnings	Other Comprehensive Loss	Shareholders' Equity	Interests	Shareholders' Equity	
		Shares	Amount	Shares	Amount	Shares	Amount							
Balance at December 31, 2020	\$ 358,756	—	\$ —	—	\$ —	—	\$ —	\$ —	\$ —	\$ —	\$ 358,756	\$ 39,787	\$ 398,543	
Net income prior to reorganization	24,742	—	—	—	—	—	—	—	—	—	24,742	14,884	39,626	
Other comprehensive loss	(375)	—	—	—	—	—	—	—	—	—	(375)	—	(375)	
Total other comprehensive income	24,367	—	—	—	—	—	—	—	—	—	24,367	14,884	39,251	
Contributions	250	—	—	—	—	—	—	—	—	—	250	—	250	
Distributions, net	(204,929)	—	—	—	—	—	—	—	—	—	(204,929)	—	(204,929)	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	—	(11,936)	(11,936)	
Changes in redemption value of RNCI	(72)	—	—	—	—	—	—	—	—	—	(72)	—	(72)	
Other	—	—	—	—	—	—	—	—	—	—	—	(300)	(300)	
Effect of reorganization	(178,372)	123,849	209,980	78,794	77	179,970	2	110,555	—	—	142,242	636,416	778,658	
Reclass NCI to liability	—	—	—	—	—	—	—	—	—	—	—	(8,475)	(8,475)	
Impact of PPA adjustment to noncontrolling interests	—	—	—	—	1	—	—	8,845	—	—	8,846	(1,549)	7,297	
Net income (loss) attributable to Stagwell Inc.	—	—	—	—	—	—	—	—	(3,706)	—	(3,706)	12,602	8,896	
Other comprehensive loss	—	—	—	—	—	—	—	—	—	(5,278)	(5,278)	—	(5,278)	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	—	(16,338)	(16,338)	
Changes in redemption value of RNCI	—	—	—	—	—	—	—	—	(3,834)	—	(3,834)	—	(3,834)	
Restricted awards granted or vested	—	—	—	1,962	2	—	—	(2)	—	—	—	—	—	
Shares acquired and cancelled	—	—	—	(14)	—	—	—	(841)	—	—	(841)	—	(841)	
Stock-based compensation	—	—	—	—	—	—	—	70,427	—	—	70,427	—	70,427	
Reclass noncontrolling interests to RNCI	—	—	—	—	—	—	—	(25,236)	—	—	(25,236)	(2,719)	(27,955)	
Purchases of noncontrolling interests	—	—	—	4,476	5	—	—	(14,138)	—	—	(14,133)	(143,134)	(157,267)	
Tax impact on step up transactions	—	—	—	—	—	—	—	23,108	—	—	23,108	—	23,108	
Conversion of shares	—	(123,849)	(209,980)	33,035	33	—	—	209,947	—	—	—	—	—	
Other	—	—	—	—	—	—	—	228	558	—	786	(10,951)	(10,165)	
Balance at December 31, 2021	\$ —	—	\$ —	118,252	\$ 118	179,970	\$ 2	\$ 382,893	\$ (6,982)	\$ (5,278)	\$ 370,753	\$ 508,287	\$ 879,040	

See [notes](#) [Notes](#) to the [audited Audited Consolidated Financial Statements](#)

STAGWELL INC. AND SUBSIDIARIES
NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS
(amounts in thousands, unless otherwise stated)

1. Business and Basis of Presentation

Stagwell Inc. (the "Company," "we," or "Stagwell"), incorporated under the laws of Delaware, conducts its business through its networks and [their Brands its portfolio of marketing services firms](#) ("Brands"), which provide marketing and business solutions that realize the potential of combining data and creativity. Stagwell's strategy is to build, grow and acquire market-leading businesses that deliver the modern suite of services that marketers need to thrive in a rapidly evolving business environment.

The accompanying [audited consolidated financial statements Audited Consolidated Financial Statements](#) include the accounts of Stagwell and its subsidiaries. Stagwell has prepared the [audited consolidated financial statements Audited Consolidated Financial Statements](#) included herein in accordance with accounting principles generally accepted in the United States ("GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for reporting financial information on this Annual Report on Form 10-K (this "Form 10-K"). The preparation of financial statements in conformity with GAAP requires us to make judgments, assumptions and estimates about current and future results of operations and cash flows that affect the amounts reported and disclosed. Actual results could differ from these estimates and assumptions.

On December 21, 2020, MDC Partners Inc. ("MDC") and Stagwell Media LP ("Stagwell Media") announced that they had entered into the Transaction Agreement, providing for the combination of MDC with the operating businesses and subsidiaries of Stagwell Media (the "Stagwell Subject Entities"). The Stagwell Subject Entities comprised Stagwell Marketing Group LLC ("Stagwell Marketing" or "SMG") and its direct and indirect subsidiaries.

On August 2, 2021, we completed the combination of MDC and the operating businesses and subsidiaries of Stagwell Media and a series of related transactions (such combination and transactions, the "Transactions"). The Transactions were treated as a reverse acquisition for financial reporting purposes, with MDC treated as the legal acquirer and Stagwell Marketing treated as the accounting acquirer. The results of MDC are included within the Consolidated Statements of Operations for the period beginning on the date of the acquisition through the end of the respective period presented and the results of SMG are included for the entire period presented. See Note 4 of the Notes included herein for information in connection with the acquisition of MDC.

The accompanying Revision of Previously Issued Consolidated Financial Statements

In connection with the preparation of the consolidated financial statements reflect all adjustments, consisting of normal recurring accruals, which during 2023, the Company identified the following errors in the opinion areas of income taxes, noncontrolling interests, and accumulated other comprehensive loss related to its previously filed 2022 annual consolidated financial statements.

- In the first quarter of 2023, we identified an error related to foreign currency gains and losses not being allocated from Accumulated other comprehensive loss to noncontrolling interest shareholders. Noncontrolling interests and Accumulated other comprehensive loss was overstated by approximately \$23.5 million. There was no impact to Total Shareholders' Equity as of December 31, 2022. Also, we identified a \$2.1 million understatement of income tax expense, and overstatement to income tax payable (Accruals and Other Liabilities) and deferred tax asset (Other Current Assets) of \$2.4 million and \$4.5 million, respectively, relating to an error in the calculation of valuation allowances. These errors were originally corrected within the first quarter of 2023 as management are necessary for a fair presentation, in all determined the errors were not material respects, of the information contained therein. Intercompany balances and transactions have been eliminated in consolidation. Certain reclassifications have been made to the prior year quarterly financial information statements as of and for the three months ended March 31, 2023.
- In the second quarter of 2023, we identified an error related to conform an understatement of income tax expense and income tax payable (Accruals and Other Liabilities) by \$5.3 million due to incorrect applications of tax payments. The Company also identified a misclassification of \$12.9 million as a result of improper netting of income tax receivables (Other Current Assets) and payables (Accruals and Other Liabilities). This error resulted in an incremental \$7.3 million misclassification of income tax receivables and payables as of March 31, 2023, which was originally corrected within the second quarter of 2023 as management determined the errors were not material to the current year presentation, quarterly financial statements as of and for the three and six months ended June 30, 2023.

We have revised

- In the presentation fourth quarter of 2023, we identified an incremental \$10.4 million understatement of tax expense as well as balance sheet misclassification between income tax accounts included within Other Current Liabilities to separately present Accrued media, which was previously included in Assets, Other Assets, Accruals and Other Liabilities, and Deferred Tax Liabilities. These errors were related to the incorrect applications of tax payments, and the incorrect calculation of deferred tax balances for items mainly associated with interest expense, intangible assets, fixed assets, state tax, basis adjustment for partnership, and the related valuation allowance. We also identified an error in our tax receivable agreement (TRA) liability calculation which resulted in a \$2.1 million overstatement of other liabilities, expenses and of \$237,794 as Other Liabilities.

The Company evaluated the impact of December 31, 2021, all errors identified throughout 2023 individually and in the aggregate and concluded they are not material to its previously issued 2022 annual consolidated financial statements. As a result, the accompanying Consolidated Balance Sheet Company has been revised its 2022 consolidated financial statements to correct reflect the immaterial classification error effects of these adjustments, which were originally recorded out-of-period in the 2023 interim financial statements. See Note 21 of the Notes included herein for additional information. The 2022 balances presented within the 2023 Form 10-K reflect the effects of the corrections.

The Company will effect the revision of the 2023 interim consolidated financial statements the next time such financial statements are presented. See Note 22 of the Notes included herein for additional information regarding the unaudited quarterly financial information. The 2022 interim consolidated financial statements previously issued through September 30, 2022 were not affected by decreasing the previously reported amount for Accruals and other liabilities as of December 31, 2021, by the \$237,794 of Accrued media. The revision had no effect on our previously reported Total Current Liabilities, or on any other previously reported amounts in our Audited Consolidated Financial Statements for the year ended December 31, 2021, these errors.

Recent Developments

On March 1, 2023 January 2, 2024, the board of directors authorized an extension and a \$125,000 increase in the size Company acquired 100% of the stock repurchase program interests in Team Epiphany, LLC., for \$15.8 million of which \$10.8 million was paid in cash and 798,000 shares of Class A Common Stock, par value \$0.001 per share (the "Repurchase Program" "Class A Common Stock"), subject to an aggregate post-closing adjustments. In connection with the acquisition, the sellers are entitled to contingent consideration up to a maximum value of \$250,000, \$17.0 million, subject to continued employment and meeting certain future earnings targets, of which a portion may be settled in shares of Class A Common Stock at the Company's discretion.

On March 1, 2024, the Company acquired 100% of the interests in Sidekick Live Limited., for £4.5 million of which £3.6 million (approximately \$4.6 million) was paid in cash and 195,000 shares of Class A Common Stock, par value \$0.001 per share, subject to post-closing adjustments. In connection with any previous purchases under the Repurchase Program continuing acquisition, the sellers are entitled to count against that limit. The Repurchase Program, as amended, will expire on March 1, 2026, contingent consideration up to a maximum value of £8.0 million (approximately \$10.2 million), subject to continued employment requirements and meeting certain future earnings targets, of which a portion may be settled in shares of Class A Common Stock at the Company's discretion.

2. Significant Accounting Policies

The Company's significant accounting policies are summarized as follows:

Principles of Consolidation. The accompanying consolidated financial statements Audited Consolidated Financial Statements include the accounts of Stagwell Inc. and its domestic and international controlled subsidiaries that are not considered variable interest entities, and variable interest entities for which the Company is the primary beneficiary. Intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates. The preparation of the audited consolidated financial statements Audited Consolidated Financial Statements in conformity with GAAP requires management to make judgments, estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities including goodwill, intangible assets, contingent deferred acquisition consideration, redeemable noncontrolling interests, deferred tax assets, right-of-use lease assets and the amounts of revenue and expenses reported during the period. These estimates are evaluated on an ongoing basis and are based on historical experience, current conditions and

various other assumptions believed to be reasonable under the circumstances. These estimates require the use of assumptions about future performance, which are uncertain at the time of estimation. To As of December 31, 2023, the extent actual results differ from effects of global macroeconomic and geopolitical uncertainty on the assumptions used, Company's business, results of operations and cash flows could be financial condition continue to evolve. As a result, many of the Company's estimates and assumptions continue to require increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, the Company's estimates may change materially affected, in the future.

Fair Value. The Company applies the fair value measurement guidance for financial assets and liabilities that are required to be measured at fair value and for non-financial assets and liabilities that are not required to be measured at fair value on a recurring basis, including goodwill, right-of-use lease assets and other identifiable intangible assets. See Note 18 of the Notes included herein for additional information regarding fair value measurements.

Concentration of Credit Risk. The Company provides marketing communications services to clients who operate in most industry sectors. Credit is granted to qualified clients in the ordinary course of business. Due to the diversified nature of the Company's client base, the Company does not believe that it is exposed to a concentration of credit risk. No sales to an individual client accounted for more than 74% of revenue for the years ended December 31, 2022, 2021, December 31, 2023 and 2020, 2022.

Cash and Cash Equivalents. The Company's cash equivalents may comprise investments in overnight interest-bearing deposits, money market instruments and other short-term investments with original maturity dates of three months or less at the time of purchase. The Company has a concentration of credit risk in that there are cash deposits in excess of federally insured amounts and international cash balances that may not qualify for foreign government insurance programs. To date, the Company has not experienced any losses on cash and cash equivalents.

Allowance for Doubtful Accounts. Trade receivables are stated at invoiced amounts less allowances for doubtful accounts. The allowances represent estimated uncollectible receivables associated with potential customer defaults usually due to customers' potential insolvency, expected losses using a current expected credit loss model. The allowances include amounts Allowance for certain customers where a risk of default has been specifically identified. The assessment of the likelihood of customer defaults doubtful accounts is based on various factors, including the length expected future uncollectible accounts receivable and is estimated considering forecasts of time the receivables are future economic conditions in addition to information about past due, historical experience events and existing economic current conditions. Allowance for doubtful accounts was \$10,369 \$7.1 million and \$5,638 \$10.4 million at December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively.

Sale Transfer of Accounts Receivable. The Company transfers certain of its trade receivable assets to third parties under agreements to sell certain of its accounts receivables, agreements. Per the terms of these agreements, the Company surrenders control over its trade receivables upon transfer. Accordingly, the Company accounts for the transfers as sales of trade receivables by recognizing an increase to cash and a decrease to accounts receivable when the receivables are transferred, with the proceeds being included in cash flows from operating activities in the Consolidated Statements of Cash Flows.

The trade receivables transferred to the third parties under these arrangements were \$176,497, \$42,097 \$393.9 million, \$176.5 million and \$44,172, \$42.1 million, during the years ended December 31, 2022 December 31, 2023, 2021 2022, and 2020, 2021, respectively. The amount collected and due to the third parties under these arrangements was \$5,703 \$1.8 million as of December 31, 2023 and \$5.7 million as of December 31, 2022. No amounts were collected and due to third parties as of December 31, 2021 and 2020. Fees for these arrangements were recorded in Office and general expenses in the Consolidated Statements of Operations and totaled \$1,817, \$110, \$5.4 million, \$1.8 million, and \$185 \$0.1 million for the years ended December 31, 2022 December 31, 2023, 2021 2022, and 2020, 2021, respectively.

Expenditures Billable to Clients. Expenditures billable to clients consist principally of outside vendor costs incurred on behalf of clients when providing services that have not yet been invoiced to clients. Such amounts are invoiced to clients at various times over the course of the period.

Fixed Assets. Fixed assets are stated at cost, net of accumulated depreciation. Computers and furniture and fixtures are depreciated on a straight-line basis over periods of three to ten years. Leasehold improvements are depreciated on a straight-line basis over the lesser of the term of the related lease or the estimated useful life of the asset. Repairs and maintenance costs are expensed as incurred. Accumulated depreciation was \$59,445 and \$35,895 at December 31, 2022 and December 31, 2021, respectively.

Leases. The Company recognizes on the Consolidated Balance Sheets, at the time of lease commencement, a right-of-use lease asset and a lease liability, initially measured at the present value of the lease payments. All right-of-use lease assets are reviewed for impairment. See Note 10 of the Notes included herein for further information on leases.

Impairment of Long-lived Assets. A long-lived asset or asset group is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. When such events occur, the Company compares the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group to the carrying amount of such asset or asset group. If this comparison indicates that there is an impairment, the amount of the impairment is typically calculated using discounted expected future cash flows where observable fair values are not readily determinable. The discount rate applied to these cash flows is based on the Company's weighted average cost of capital ("WACC"), risk adjusted where appropriate, or other appropriate discount rate.

Goodwill. Goodwill (the excess of the acquisition cost over the fair value of the net assets acquired) acquired as a result of a business combination is not amortized but rather tested for impairment, at the reporting unit level, annually as of October 1st of each year, or more frequently if indicators of potential impairment exist.

For the annual impairment test, the Company has the option of assessing qualitative factors to determine whether it is more likely than not that the carrying amount of a reporting unit exceeds its fair value or performing a quantitative goodwill impairment test. Qualitative factors considered in the assessment include industry and market considerations, the competitive environment, overall financial performance, changing cost factors such as labor costs, and other factors specific to each reporting unit such as change in management or key personnel.

If the Company elects to perform the qualitative assessment and concludes that it is more likely than not that the fair value of the reporting unit is more than its carrying amount, then goodwill is not considered impaired and the quantitative impairment test is not necessary. For reporting units for which the qualitative assessment concludes that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, the Company will perform the quantitative impairment test, which compares the fair value of the reporting unit to its carrying amount. If the fair value of the reporting unit exceeds the carrying amount of the net assets assigned to that reporting unit, goodwill is not considered impaired. However, if the fair value of the reporting unit is lower than the carrying amount of the net assets assigned to the reporting unit, an impairment charge is recognized equal to the excess of the carrying amount over the fair value.

Determining the fair value of a reporting unit involves the use of significant estimates and assumptions. The Company generally uses a combination of the income approach, which incorporates the use of the discounted cash flow ("DCF") method, and the market approach, which incorporates the use of earnings and revenue multiples based on market data, data and comparable companies. The Company generally applies an equal weighting to the income and market approaches for the impairment test. The income approach

and the market approach both require the exercise of significant judgment, including judgment about the amount and timing of expected future cash flows, assumed terminal value and appropriate discount rates.

The DCF estimates incorporate expected cash flows that represent a spectrum of the amount and timing of possible cash flows of each reporting unit from a market participant perspective. The expected cash flows are developed from the Company's long-range planning process using projections of operating results and related cash flows based on assumed revenue growth rates, EBITDA margin, long-term growth rates, demand trends and appropriate discount rates based on a reporting unit's WACC as determined by considering the observable WACC of comparable companies and factors specific to the reporting unit. The terminal value is estimated using a constant growth method which requires an assumption about the expected long-term growth rate. The estimates are based on historical data and experience, industry projections, economic conditions, and the Company's expectations.

Definite Lived Intangible Assets. Definite lived intangible assets are subject to amortization over their useful lives. A straight-line amortization method is used over the estimated useful life which is representative of the pattern of how the economic benefits of the specific intangible asset is consumed. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Recoverability is measured by a comparison of the carrying amount of an intangible asset to estimated undiscounted future cash flows expected to be generated from use of the asset and its eventual disposition. If the total of the undiscounted future cash flows is less than the carrying amount of those assets, a quantitative assessment is performed using an income approach, which incorporates the use of the DCF method.

Business Combinations. Business combinations are accounted for using the acquisition method and accordingly, the assets acquired (including identified intangible assets), the liabilities assumed and any noncontrolling interest in the acquired business are recorded at their acquisition date fair values.

For each acquisition, the Company undertakes a detailed review to identify other intangible assets and a valuation is performed for all such identified assets. The Company uses several market participant measurements to determine the estimated value. This approach includes consideration of similar and recent transactions, as well as utilizing discounted expected cash flow methodologies. A substantial portion of the intangible assets value that the Company acquires is the specialized know-how of the workforce, which is treated as part of goodwill and is not required to be valued separately. The majority of the value of the identifiable intangible assets acquired is derived from customer relationships, including the related customer contracts, as well as trademarks.

Deferred Acquisition Consideration. Certain acquisitions include an initial payment at the time of closing and provide for future additional contingent purchase price payments. Contingent purchase price obligations for these transactions are recorded as deferred acquisition consideration liabilities on the Consolidated Balance Sheets, balance sheet. Arrangements that are not contingent upon future employment are initially measured at the acquisition date fair value and are remeasured at each reporting period. Arrangements that are contingent upon future employment are expensed as earned over the respective vesting (employment) period. These liabilities are derived from the projected performance of the acquired entity. These arrangements may be dependent on future events, such as the growth rate of the earnings of the relevant subsidiary during the contractual period. At each reporting date, the Company models each business' future performance, including such as revenue growth and free cash flows, EBITDA growth, to estimate the value of each deferred acquisition consideration liability. The liability is adjusted quarterly based on changes in current information affecting each subsidiary's current operating results and the impact this information

will have on future results included in the calculation of the estimated liability. These adjustments are recorded in deferred acquisition consideration expense within Office and general expenses in the Consolidated Statement of Operations. In instances where such contingent payments require the sellers' continuous employment with the Company after the transaction, they are recorded as compensation expense in Office and general expenses in the Consolidated Statements of Operations.

Redeemable Noncontrolling Interests. Many Certain of the Company's acquisitions include contractual arrangements where the noncontrolling shareholders may require the Company to purchase such noncontrolling shareholders' incremental ownership interests under certain circumstances. The Company may have sometimes has similar call options

under the same contractual terms. The amount of consideration under these contractual arrangements is not a fixed amount, but rather is dependent upon various valuation formulas, such as the average earnings of the relevant subsidiary through the date of exercise or the growth rate of the earnings of the relevant subsidiary during that period. In the event that an incremental purchase may be required by the Company, the amounts are recorded in Redeemable Noncontrolling Interests in mezzanine equity on the Consolidated Balance Sheets at their acquisition date fair value and adjusted for changes to their estimated redemption value through Retained earnings or Paid-in capital (when (if at an accumulated deficit) in the Consolidated Balance Sheets (but not less than their initial redemption value), except for foreign currency translation adjustments. These adjustments will not impact the calculation of earnings (loss) per share if the redemption values are less than the estimated fair values.

Control to Control Subsidiary Purchases. Transactions involving the purchase, sale or issuance of interests of a subsidiary where control is maintained are recorded as a reduction in the redeemable noncontrolling interests or noncontrolling interests, as applicable. Any difference between the purchase price and noncontrolling interest is recorded to Paid-in capital in the Consolidated Balance Sheets. In circumstances where the purchase of shares of an equity investment results in obtaining

control, the existing carrying value of the investment is remeasured to the acquisition date fair value and any gain or loss is recognized in the Consolidated Statement of Operations.

Revenue Recognition. The Company's revenue is recognized when control of the promised services are transferred to our clients, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. See Note 5 of the Notes included herein for additional information.

Cost of Services. Cost of services sold primarily consists of staff costs that are directly attributable to the Company's client engagements, as well as third-party direct costs of production and delivery of services to its clients. Cost of services sold does not include depreciation, amortization, and other office and general expenses that are not directly attributable to the Company's client engagements.

Deferred Financing Costs. The Company uses the straight-line method, which approximates the effective interest method, to amortize deferred financing costs.

Income Taxes. We account The Company accounts for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized based on the differences between the financial statement carrying value of existing assets and liabilities and their respective tax bases. basis. Deferred tax assets and liabilities are measured using enacted tax rates and laws expected to be in effect when the differences are expected to reverse. The Company records associated interest and penalties as a component of income tax expense. The Company records a valuation allowance against deferred income tax assets when management believes it is more likely than not that some portion or all of the deferred income tax assets will not be realized. Management evaluates on a quarterly basis all available positive and negative evidence considering factors such as the reversal of deferred income tax liabilities, taxable income in eligible carryback years, projected future taxable income, the character of the income tax asset, tax planning strategies, changes in tax laws and other factors. The periodic assessment of the net carrying value of the Company's deferred tax assets under the applicable accounting rules requires significant management judgment. A change to any of these factors could impact the estimated valuation allowance and income tax expense.

Stock-Based Compensation. Compensation cost is measured at fair value at the date of grant and is expensed over the service period, generally the award's vesting period.

Certain of our awards are settled in cash (stock appreciation awards) and are recorded at fair value on the date of grant and remeasured at each reporting period. The measurement of the compensation cost for these awards is based on using the Black-Scholes option pricing model and is recorded in Operating income over the service period, in this case the award's vesting period. The assumption for expected volatility is based on the a blended rate which includes historical volatility of a peer group of market participants and historical volatility of the Company as the Company has limited historical volatility.

The Company has adopted the straight-line attribution method for determining the compensation cost to be recorded during each accounting period. Forfeitures for all awards are recognized as they occur. The Company commences recording compensation expense related to awards that are based on performance conditions under the straight-line attribution method when it is probable that such performance conditions will be met.

Certain of the Company's subsidiaries grant awards to their employees providing them with an equity interest in the respective subsidiary (the "profits interests awards"). The awards generally provide the employee the right, but not the obligation, to sell their profits interest in the subsidiary to the Company based on a performance-based formula and, in certain cases, receive a profit share distribution. The profits interests awards are primarily settled in cash, with certain awards having stock-settlement provisions at the Company's discretion. The corresponding liability associated with these profits interests awards is included as a component of Accruals and other liabilities and Other liabilities on the Consolidated Balance Sheets. See Note 15 of the Notes included herein for further details on these awards.

Share Buybacks. In 2022, theThe Company began repurchasing its own may purchase shares of Class A common stock, par value \$.001 per share (the "Class A Common Stock"), as part of a publicly announced Stock under its stock repurchase plan. program (the "Repurchase Program") as well as repurchases outside of the Repurchase Program. The Company accounts for these

repurchases by reducing the value of our Class A Common Stock for the par value of the shares repurchased and account for the difference between the price paid for the Class A Common Stock, excluding fees, and the par value of such stock to Paid-in capital. See Note 15 of the Notes included herein for further details of our share buyback plan.

Retirement Costs. Several of the Company's subsidiaries offer employees access to certain defined contribution retirement programs. Under the defined contribution plans, these subsidiaries, in some cases, make annual contributions to participants' accounts which are subject to vesting. The Company's contribution expense pursuant to these plans was approximately \$19,000, \$10,000, \$20.5 million, \$19.0 million, and \$4,000 \$10.0 million for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, respectively. The Company also has a defined benefit pension plan. See Note 12 of the Notes included herein for additional information on the defined benefit plan.

Income Earnings (Loss) per Common Share. Basic income earnings (loss) per common share is based upon the weighted average number of common shares outstanding during each period. Diluted income earnings (loss) per common share is based on the above, in addition,

if dilutive, common share equivalents, which include stock appreciation rights, and unvested restricted stock and restricted stock units as well as shares of Class C Common Stock, stock, par value \$0.00001 per share (the "Class C Common Stock"). In periods of net loss, all potentially issuable common shares are excluded from diluted net loss per common share because they are anti-dilutive.

Foreign Currency Translation. The functional and reporting currency of the Company is the U.S. dollar. Generally, the Company's subsidiaries use their local currency as their functional currency. Assets and liabilities are translated at the exchange rates in effect at the balance sheet date, and revenues and expenses are translated at the average exchange rates during the period presented. The resulting translation adjustments are recorded as a component of Accumulated other comprehensive income (loss) in the Shareholders' equity section of our Consolidated Balance Sheets. Foreign currency transaction unrealized and realized gains or losses are recognized as incurred in the Consolidated Statements of Operations in Foreign, exchange, net. Translation of intercompany transactions, which are not intended to be settled, are included in cumulative translation adjustments.

3. New Accounting Pronouncements

In March 2020, December 2023, the Financial Accounting Standards Board, ("FASB") issued ASU 2023-09, Income Taxes (Topic 740) Improvements to Income Tax Disclosures ("ASU 2023-09"), to enhance the transparency and decision usefulness of income tax disclosures by requiring disaggregated information about an entity's effective tax rate reconciliation, as well as information on taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. The Company is evaluating the impact of the adoption of this guidance on the Company's financial statements and disclosures.

In November 2023, the FASB issued Accounting Standards Update ASU 2023-07, Segment Reporting (Topic 280) Improvements to Segment Disclosures ("ASU" ASU 2023-07") 2020-04, to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and in January 2021 subsequently issued ASU 2021-01, Facilitation interim periods within fiscal years beginning after December 15, 2024. The Company is evaluating the impact of the Effects of Reference Rate Reform on Financial Reporting, to provide optional expedients and exceptions new requirements, effective for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. ASU 2020-04 is effective upon issuance, through December 31, 2022. The Combined Credit Agreement (as defined in Note 11 of the Notes included herein) is the Company's only contractual arrangement that referenced LIBOR and is impacted by ASU 2020-04. On April 28, 2022, 2024 Financial Statements, to determine the Company amended the Combined Credit Agreement. Among other things, this amendment replaced any references to LIBOR with references to the Secured Overnight Financing Rate ("SOFR"). Based on the Company's assessment, the Company has elected to apply the optional expedient and treat the contract modifications as a continuation level of an existing contract. This election does not have a material effect on our results disclosure of operations or financial position. See Note 11 of the Notes included herein for more information. segment expenses.

4. Acquisitions

2023 Acquisitions

On November 1, 2023, the Company acquired Movers and Shakers, a digital creative company, for \$15.0 million, of which \$10.2 million was paid in cash and 1.0 million shares of Class A common stock, par value \$0.001 per share (the "Class A Common Stock"), subject to post-closing adjustments. In connection with the acquisition, the sellers are entitled to contingent consideration up to a maximum value of \$35.0 million, subject to meeting certain future earnings targets and continued employment, of which a portion may be settled in shares of Class A Common Stock at the Company's discretion. The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributable to the assembled workforce of Movers and Shakers and expected growth related to new customer relationships. Goodwill of \$8.2 million was assigned to the Integrated Agencies Network reportable segment. The goodwill is fully deductible for income tax purposes. The purchase price accounting is not yet final as the Company may still make adjustments due to changes in post-closing adjustments.

On October 2, 2023, the Company acquired Left Field Labs ("LFL"), a digital experience design and strategy company, for \$13.2 million, of which \$9.4 million was paid in cash and 825 thousand shares of Class A Common Stock, subject to post-closing adjustments. In connection with the acquisition, the sellers are entitled to contingent consideration up to a maximum value of \$51.0 million, subject to continued employment and meeting certain future earnings targets, of which a portion may be settled in shares of Class A Common Stock at the Company's discretion. The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributable to the assembled workforce of LFL and expected growth related to new customer relationships. Goodwill of \$8.7 million was assigned to the Integrated Agencies Network reportable segment. The goodwill is fully deductible for income tax purposes. The purchase price accounting is not yet final as the Company may still make adjustments due to changes in post-closing adjustments.

On July 3, 2023, the Company acquired Tinsel Experiential Design LLC ("Tinsel"), a marketing and design company, for \$2.5 million in cash consideration, subject to post-closing adjustments. In connection with the acquisition, the sellers are entitled to contingent consideration, subject to continued employment, and meeting certain future earnings targets. The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributable to the assembled workforce of Tinsel and expected growth related to new customer relationships. Goodwill of \$1.6 million was assigned to the Integrated Agencies Network reportable segment. The goodwill is fully deductible for income tax purposes. The purchase price accounting is not yet final as the Company may still make adjustments due to changes in post-closing adjustments.

On April 25, 2023, the Company acquired Huskies, Ltd. ("Huskies"), for €5.2 million (\$5.6 million) of cash consideration, of which €0.9 million (\$1.0 million) is deferred, subject to post-closing adjustments. The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributable to the assembled workforce of Huskies and expected growth related to new customer relationships and geographic expansion. Goodwill of \$2.6 million was assigned to the Brand Performance Network reportable segment. The goodwill is non-deductible for income tax purposes. The purchase price accounting is not yet final as the Company may still make adjustments due to changes in post-closing adjustments.

2022 Acquisitions

Acquisition of Brand New Galaxy

On April 19, 2022, the Company acquired Brand New Galaxy ("BNG"), for approximately \$20,695 \$20.9 million of cash consideration, as well as contingent consideration up to a maximum value of \$50,000. \$50.0 million. The contingent consideration is due upon meeting certain future earnings targets through 2024, with approximately 67% payable in cash and 33% payable in Stagwell Inc. shares of Class A Common Stock.

The consideration has been allocated to the assets acquired and assumed liabilities of BNG based upon preliminary estimated fair values, with any excess purchase price allocated to goodwill. The preliminary purchase price allocation is as follows:

	Amount	
	Amount (dollars in thousands)	
Cash and cash equivalents	\$	2,766
Accounts receivable		10,147
Other current assets		671
Fixed assets		1,587
Identifiable intangible assets		12,740
Other assets		1,583
Accounts payable		(4,771)
Accruals and other liabilities		(6,880)
Advance billings		(1,159)
Other liabilities		(3,642)
Net assets assumed		13,042
Goodwill		24,423 24,643
Purchase price consideration	\$	37,465 37,685

The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributed attributable to the assembled workforce of BNG. Goodwill of \$24,423 \$24.6 million was assigned to the Brand Performance Network reportable segment. The majority of the goodwill is non-deductible for income tax purposes.

Intangible assets consist of trade names, customer relationships and developed technology. We amortize purchased intangible assets on a straight-line basis over their respective useful lives. The weighted average life of the total acquired identifiable intangible assets is approximately ten years. The following table presents the details of identifiable intangible assets acquired:

	Estimated Fair Value	Estimated Useful Life in Years
Customer relationships	\$ 6,150	10
Trade names	5,500	10
Developed technology	1,090	7
Total acquired intangible assets	\$ 12,740	

	Fair Value	Estimated Useful Life in Years
	(dollars in thousands)	
Customer relationships	\$ 6,150	10
Trade names	5,500	10
Developed technology	1,090	7
Total acquired intangible assets	\$ 12,740	

Pro Forma Financial Information (unaudited)

The unaudited pro forma information for the periods set forth below gives effect to the acquisition as if it occurred as of January 1, 2021. The pro forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the acquisitions acquisition been consummated as of that time.

	Year Ended December 31,	
	2022	2021
Revenue	\$ 2,698,018	\$ 1,501,568
Net income	65,097	36,863

	Year Ended December 31, 2022		Year Ended December 31, 2021	
		(dollars in thousands)		
Revenue	\$	2,698,018	\$	1,501,568
Net income	\$	49,299	\$	36,864

Revenue and net loss attributable to BNG, included within the year ended December 31, 2022 Consolidated Statements of Operations for the year ended December 31, 2023 was \$20,544 \$30.1 million, and \$67, respectively.

The purchase price accounting is not yet final as Net loss was \$1.5 million. Revenue attributable to BNG, included within the Company may still make adjustments due to changes in working capital. Consolidated Statements of Operations for the year ended December 31, 2022 was \$20.5 million, and Net income was \$0.1 million.

Acquisition of TMA Direct, Inc.

On May 31, 2022, the Company acquired approximately 87% of TMA Direct, Inc. ("TMA Direct") for approximately \$17,247 \$17.2 million of cash consideration and approximately \$457 \$0.5 million of deferred acquisition payments. The Company was also granted an option to purchase the remaining 13% minority interest in TMA Direct for up to approximately \$13,330. \$13.3 million.

The consideration has been allocated to the assets acquired and assumed liabilities of TMA Direct based upon estimated fair values, with any excess purchase price allocated to goodwill. The purchase price allocation is as follows:

	Amount	
	Amount	(dollars in thousands)
Accounts receivable	\$	582
Other current assets		669
Identifiable intangible assets		13,200
Accounts payable		(379)
Other liabilities		(270)
Noncontrolling interests		(2,667)
Net assets assumed		11,135
Goodwill		6,569
Purchase price consideration	\$	17,704

The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributed attributable to the assembled workforce of TMA Direct. Goodwill of \$6,569 \$6.6 million was assigned to the Communications Network reportable segment. The majority of the goodwill is deductible for income tax purposes.

Intangible assets consist of trade names and customer relationships. We amortize purchased intangible assets on a straight-line basis over their respective useful lives. The weighted average life of the total acquired identifiable intangible assets is ten years. The following table presents the details of identifiable intangible assets acquired:

	Fair Value	Estimated Useful Life in Years
Customer relationships	\$ 11,400	10
Trade names	1,800	10
Total acquired intangible assets	\$ 13,200	

	Fair Value	Estimated Useful Life in Years
	(dollars in thousands)	
Customer relationships	\$ 11,400	10
Trade names	1,800	10
Total acquired intangible assets	\$ 13,200	

Pro Forma Financial Information (unaudited)

The unaudited pro forma information for the periods set forth below gives effect to the acquisition as if it occurred as of January 1, 2021. The pro forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the acquisitions acquisition been consummated as of that time.

Year Ended December
31,

	2022	2021
Year Ended December 31, 2022		
Year Ended December 31, 2022		
Year Ended December 31, 2022		
Year Ended December 31, 2022		
Year Ended December 31, 2022		Year Ended December 31, 2021
(dollars in thousands)		(dollars in thousands)

Revenue	Revenue	\$2,691,622	\$1,481,727
Net income	Net income	67,195	39,386

Revenue and net income attributable to TMA Direct, included within the year ended December 31, 2022 Consolidated Statements of Operations for the year ended December 31, 2023 was \$7,659 \$11.0 million, and \$889, respectively, Net income was \$1.1 million. Revenue attributable to TMA Direct, included within the Consolidated Statements of Operations for the year ended December 31, 2022 was \$7.7 million, and Net income was \$0.9 million.

Acquisition of Maru Group Limited Ltd.

On October 3, 2022, the Company acquired Maru Group Limited Ltd. ("Maru") for approximately £23,000 (approximately \$25,793) £23.0 million (\$25.8 million) in cash consideration.

The consideration has been allocated to the assets acquired and assumed liabilities of Maru based upon preliminary estimated fair values, with any excess purchase price allocated to goodwill. The preliminary purchase price allocation is as follows:

	Amount
	Amount (dollars in thousands)
Cash and cash equivalents	\$ 1,033
Accounts receivable	7,374
Other current assets	899
Fixed assets	157
Identifiable intangible assets	13,500 14,300
Other assets	1,920
Accounts payable	(4,087)
Accruals and other liabilities	(9,154)
Advance billings	(6,462)
Deferred tax liability	(3,328)
Other liabilities	(3,591) (2,891)
Net assets assumed	1,589 (239)
Goodwill	24,204 26,033
Purchase price consideration	\$ 25,793 25,794

The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributed attributable to the assembled workforce of Maru and the expected growth related to new customer relationships and geographic expansion. Goodwill of \$24,204 \$26.0 million was assigned to the All Other reportable segment. The goodwill is partially deductible for income tax purposes.

Intangible assets consist of trade names, customer relationships, and developed technology. We amortize purchased intangible assets on a straight-line basis over their respective useful lives. The weighted average life of the total acquired identifiable intangible assets is approximately eight years. The following table presents the details of

identifiable intangible assets acquired:

		Estimated Fair Value	Estimated Useful Life in Years			Fair Value	Estimated Useful Life in Years
		Fair Value				Fair Value	
		(dollars in thousands)				(dollars in thousands)	
Customer relationships	Customer relationships	\$ 4,700	10	Customer relationships	\$ 4,900	10	10
Trade names	Trade names	3,500	10	Trade names	4,000	10	10
Developed technology	Developed technology	5,300	2-7	Developed technology	5,400	2-7	2-7
Total acquired intangible assets	Total acquired intangible assets	\$ 13,500					

Pro Forma Financial Information (unaudited)

The unaudited pro forma information for the periods set forth below gives effect to the acquisition as if it occurred as of January 1, 2021. The pro forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the acquisitions acquisition been consummated as of that time.

	Year Ended December 31,	
	2022	2021
Revenue	\$ 2,717,667	\$ 1,512,791
Net income	51,841	15,167

	Year Ended December 31,	
	2022	2021
	(dollars in thousands)	
Revenue	\$ 2,717,667	\$ 1,512,791
Net income	\$ 36,043	\$ 15,167

Revenue and net loss attributable to Maru, included within the year ended December 31, 2022 Consolidated Statements of Operations for the year ended December 31, 2023 was \$8,786 \$32.1 million and \$2,135, respectively. Net loss was \$10.8 million. Revenue attributable to Maru, included within the Consolidated Statements of Operations for the year ended December 31, 2022 was \$8.8 million, and Net loss was \$2.1 million.

Acquisition of Wolfgang, LLC.

On October 3, 2022, the Company acquired the remaining 80% interest that it did not already own in Wolfgang, LLC, LLC ("Wolfgang") for approximately \$3,750 \$3.8 million in cash consideration and 175 thousand shares of Class A Common Stock with a fair value of \$1,178, subject to post-closing adjustments, \$1.2 million.

The consideration has been allocated to the assets acquired and assumed liabilities of Wolfgang based upon preliminary estimated fair values, with any excess purchase price allocated to goodwill. The preliminary purchase price allocation is as follows:

	Amount	
	Amount (dollars in thousands)	
Cash and cash equivalents	\$	1,606
Accounts receivable		1,180
Other current assets		100
Identifiable intangible assets		1,055
Other assets		46
Current liabilities		(278)
Net assets assumed		3,709
Goodwill		2,451
Purchase price consideration including fair value of previously owned interest	\$	6,160

The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributed attributable to the assembled workforce of Wolfgang. Goodwill of \$2,451 \$2.5 million was assigned to the Integrated Agencies Network reportable segment. The majority of the goodwill is deductible for income tax purposes.

Intangible assets consist of customer relationships. We amortize purchased intangible assets on a straight-line basis over their respective useful lives. The weighted average life of the total acquired identifiable intangible assets is approximately five years. The following table presents the details of identifiable intangible assets acquired:

	Estimated Fair Value	Estimated Useful Life in Years
Customer relationships	\$ 1,055	5
Total acquired intangible assets	\$ 1,055	

Pro Forma Financial Information (unaudited)

The unaudited pro forma information for the periods set forth below gives effect to the acquisition as if it occurred as of January 1, 2021. The pro forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the acquisitions acquisition been consummated as of that time.

	Year Ended December 31,			
	2022		2021	
Revenue	\$	2,696,733	\$	1,474,303
Net income		67,196		36,538

	Year Ended December 31,			
	2022		2021	
	(dollars in thousands)			
Revenue	\$	2,696,733	\$	1,474,303
Net income	\$	51,398	\$	36,538

Revenue and net loss attributable to Wolfgang, included within the year ended December 31, 2022 Consolidated Statements of Operations for the year ended December 31, 2023 was \$2,072 \$5.7 million, and \$297, respectively. Net income was \$0.7 million. Revenue attributable to Wolfgang, included within the Consolidated Statements of Operations for the year ended December 31, 2022 was \$2.1 million, and Net loss was \$0.3 million.

Acquisition of Epicenter Experience LLC.

On October 3, 2022, the Company acquired the assets of Epicenter Experience LLC, LLC ("Epicenter") for approximately \$9,864 \$9.9 million in cash consideration, subject to post-closing adjustments, as well as contingent consideration up to a maximum value of \$5,000 \$5.0 million. The contingent consideration is subject to meeting certain future earnings targets through 2024 and can be paid up to 25% in shares of Class A Common Stock.

The consideration has been allocated to the assets acquired and assumed liabilities of Epicenter based upon preliminary estimated fair values. The preliminary purchase price allocation is as follows:

	Amount	
	Amount (dollars in thousands)	
Accounts receivable	\$	901
Other current assets		45
Identifiable intangible assets		7,300
Accounts payable		(148)
Other current liabilities		(650)
Net assets assumed		7,448
Goodwill		4,416
Purchase price consideration	\$	11,864

The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributed attributable to the assembled workforce of Epicenter. Goodwill of \$4,416 \$4.4 million was assigned to the All Other reportable segment. The majority of the goodwill is deductible for income tax purposes.

The intangible asset acquired was developed technology. We amortize purchased intangible assets on a straight-line basis over their respective useful lives. The weighted average life of the total acquired identifiable intangible assets is approximately five years. The following table presents the details of identifiable intangible assets acquired:

	Estimated Fair Value	Estimated Useful Life in Years
Developed technology	\$ 7,300	5
Total acquired intangible assets	\$ 7,300	

Pro Forma Financial Information (unaudited)

The unaudited pro forma information for the periods set forth below gives effect to the acquisition as if it occurred as of January 1, 2021. The pro forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the acquisitions acquisition been consummated as of that time.

	Year Ended December 31,			
	2022		2021	
Revenue	\$	2,690,969	\$	1,473,183
Net income		65,450		35,810

	Year Ended December 31,			
	2022		2021	
	(dollars in thousands)			
Revenue	\$	2,690,969	\$	1,473,183
Net income	\$	49,652	\$	35,810

Revenue and net loss attributable to Epicenter, included within the Consolidated Statements of Operations for the year ended December 31, 2023 was \$4.3 million, and Net loss was \$0.7 million. Revenue attributable to Epicenter, included within the Consolidated Statements of Operations for the year ended December 31, 2022 was \$1.0 million, and Net loss was \$1.2 million.

2021 Acquisitions

Acquisition of MDC

On December 21, 2020, MDC and Stagwell Media announced that they had entered into the Transaction Agreement, providing for the combination of MDC with the operating businesses and subsidiaries of the Stagwell Subject Entities. The Stagwell Subject Entities comprised Stagwell Marketing and its direct and indirect subsidiaries.

On August 2, 2021 (the "Closing Date"), we completed the combination of MDC and the Stagwell Subject Entities and a series of steps and related transactions (such combination and transactions, the "Transactions"). In connection with the Transactions, among other things, (i) MDC completed a series of transactions pursuant to which it emerged as a wholly owned subsidiary of the Company, converted into a Delaware limited liability company and changed its name to Midas OpCo Holdings LLC ("OpCo"), (which name was subsequently to Stagwell Global LLC); (ii) Stagwell Media contributed the equity interests of Stagwell Marketing and its direct and indirect subsidiaries to OpCo; and (iii) the Company converted into a Delaware corporation, succeeded MDC as the publicly-traded company and changed its name to Stagwell Inc.

In respect of the Transactions, the acquired assets and assumed liabilities, together with acquired processes and employees, represent a business as defined in the FASB's Accounting Standards Codification ("ASC") 805, Business Combinations ("ASC 805"). The Transactions were accounted for as a reverse acquisition using the acquisition method of accounting, pursuant to ASC Topic 805-10, Business Combinations, with MDC treated as the legal acquirer and SMG treated as the accounting acquirer. In identifying SMG as the acquiring entity for accounting purposes, MDC and SMG took into account a number of factors, including the relative voting rights and the corporate governance structure of the Company. SMG is considered the accounting acquirer since Stagwell Media controls the board of directors of the Company following the Transactions and received an indirect

ownership interest in the Company's only operating subsidiary, OpCo, of 69.55% ownership of OpCo's common units. However, no single factor was the sole determinant in the overall conclusion that Stagwell is the acquirer for accounting purposes; rather all factors were considered in arriving at such conclusion. Under the acquisition method of accounting, the assets and liabilities of MDC, as the accounting acquiree, were recorded at their respective fair value as of the date the Transactions were completed.

On August 2, 2021, an aggregate of 180.0 million shares of the Company's Class C Common Stock were issued to Stagwell Media in exchange for \$1.80. The Class C Common Stock does not participate in the earnings of the Company. Additionally, an aggregate of 180.0 million OpCo common units were issued to Stagwell Media in exchange for the equity interests of the Stagwell Subject Entities (the "Stagwell OpCo Contribution").

The fair value of the purchase consideration was \$429.1 million, consisting of 80.0 million shares of the Company's Class A Common Stock, Class B common stock, par value \$0.001 per share (the "Class B Common Stock"), and common stock equivalents based on a per share price of \$5.42, the closing stock price on the date of the combination.

ASC 805 requires the allocation of the purchase price consideration to the fair value of the identified assets acquired and liabilities assumed upon consummation of a business combination. For this purpose, fair value shall be determined in accordance with the fair value concepts defined in ASC 820, "Fair Value Measurements and Disclosures," ("ASC 820"). Fair value is defined in ASC 820 as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." Fair value measurements can be highly subjective and can involve a high degree of estimation. The purchase price valuation was completed during the third quarter of 2022.

The purchase price allocation is as follows:

	Amount	
	(dollars in thousands)	
Cash and cash equivalents	\$	130,197
Accounts receivable		398,736
Other current assets		41,291
Fixed assets		81,343
Right-of-use lease assets - operating leases		252,739
Identifiable intangible assets		810,900
Other assets		18,282
Accounts payable		(139,590)
Accruals and other liabilities		(307,439)
Advance billings		(211,212)
Current portion of lease liabilities		(54,009)
Current portion of deferred acquisition consideration		(53,054)
Long-term debt		(901,736)
Revolving credit facility		(109,954)
Long-term portion of deferred acquisition consideration		(8,056)
Long-term portion of lease liabilities		(283,637)
Other liabilities		(139,026)
Redeemable noncontrolling interests		(25,990)
Preferred shares		(209,980)
Noncontrolling interests		(151,090)
Net liabilities assumed		(861,285)
Goodwill		1,290,347
Purchase price consideration	\$	429,062

The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributed to the assembled workforce of MDC. Goodwill of \$932.6 million, \$285.4 million and \$72.4 million was assigned to the Integrated Agencies Network, the Brand Performance Network and the Communications Network reportable segments, respectively. The majority of the goodwill is non-deductible for income tax purposes. Goodwill has been updated from the previously reported amount of \$1,299.4 million as of December 31, 2021 to reflect a change in certain assets and liabilities. There has been no change that impacts the Consolidated Statement of Operations.

Intangible assets consist of trade names and customer relationships. We amortize purchased intangible assets on a straight-line basis over their respective useful lives. The weighted average life of the total acquired identifiable intangible assets is approximately thirteen years. The following table presents the details of identifiable intangible assets acquired:

	Fair Value	Estimated Useful Life in Years
	(dollars in thousands)	
Trade Names	\$ 98,000	10

Customer Relationships		712,900	6-15
Total Acquired Intangible Assets	\$	810,900	

Pro Forma Financial Information (unaudited)

The unaudited pro forma information for the periods set forth below gives effect to the acquisition as if it occurred as of January 1, 2020. The pro forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the acquisitions been consummated as of that time.

	Years Ended December 31,	
	2021	2020
	(dollars in thousands)	
Revenue	\$ 2,224,343	\$ 2,087,025

The pro forma net loss was nominal for the years ended December 31, 2021 and 2020.

Revenue attributable to MDC, included within the year ended December 31, 2021 Consolidated Statements of Operations was \$1,028 \$605.4 million. The net loss included within the year ended December 31, 2021 Consolidated Statements of Operations was nominal.

Transaction expenses were \$15.0 million for the twelve months ended December 31, 2021.

Acquisition of GoodStuff Holdings Limited

On December 31, 2021, the Company acquired GoodStuff Holdings Limited ("Goodstuff") for £21.0 million (\$28.2 million) of cash consideration as well as contingent consideration up to a maximum of £22.0 million. The cash consideration included an initial payment of £8.0 million, an excess working capital payment of £9.0 million and \$1,183, £4.0 million of deferred payments. The contingent consideration is tied to employees' service and will be recognized as deferred acquisition consideration expense through 2026. Therefore, only the cash consideration has been allocated to the \$23.8 million of assets acquired and assumed liabilities of Goodstuff based upon their fair values, with any excess purchase price allocated to goodwill.

The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributed to the assembled workforce of Goodstuff. Goodwill of \$4.4 million was assigned to the Brand Performance Network reportable segment. The majority of the goodwill is non-deductible for income tax purposes.

Intangible assets consist of trade names and customer relationships. We amortize purchased intangible assets on a straight-line basis over their respective useful lives. The weighted average life of the total acquired identifiable intangible assets is approximately ten years. Trade names had a fair value of \$1.3 million with an estimated useful life of fifteen years, and customer relationships had a fair value of \$13.6 million with an estimated useful life of ten years.

Pro Forma Financial Information (unaudited)

The unaudited pro forma information for the periods set forth below gives effect to the acquisition as if it occurred as of January 1, 2020. The pro forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the acquisitions been consummated as of that time. For the years ended December 31, 2021 and 2020, pro forma revenue was \$1,488.5 million and \$902.6 million, respectively, and net income was \$38.7 million and \$72.7 million, respectively.

Other Acquisitions Acquisition of GoodStuff Holdings Limited

On July 12, 2022 December 31, 2021, the Company acquired PEP Group GoodStuff Holdings B.V. Limited ("PEP Group" Goodstuff), an omnichannel content creation and adaption production company for approximately \$521 in £21.0 million (\$28.2 million) of cash consideration subject to post-closing adjustments, as well as contingent consideration up to a maximum value of £2,553. £22.0 million. The cash consideration included an initial payment of £8.0 million, an excess working capital payment of £9.0 million and £4.0 million of deferred payments. The contingent consideration is subjected to meeting certain future earnings targets employees' service and will be recognized as deferred acquisition consideration expense through 2025.

On July 15, 2022, 2026. Therefore, only the Company acquired Apollo Program II Inc. ("Apollo"), a real-time artificial intelligence-powered software-as-a-service platform, for approximately \$2,300 in cash consideration subject has been allocated to post-closing adjustments, as well as guaranteed deferred payments the \$23.8 million of \$1,000 and \$1,500 on or prior to July 1, 2023 and July 1, 2024, respectively.

2021 Acquisitions

Acquisition of MDC

On December 21, 2020, MDC and Stagwell Media announced that they had entered into the Transaction Agreement, providing for the combination of MDC with the operating businesses and subsidiaries of the Stagwell Subject Entities. The Stagwell Subject Entities comprised Stagwell Marketing and its direct and indirect subsidiaries.

On August 2, 2021 (the "Closing Date"), we completed the combination of MDC and the Stagwell Subject Entities and a series of steps and related transactions (such combination and transactions, the "Transactions"). In connection with the Transactions, among other things, (i) MDC completed a series of transactions pursuant to which it emerged as a wholly owned subsidiary of the Company, converted into a Delaware limited liability company and changed its name to Midas OpCo Holdings LLC, and subsequently to Stagwell Global LLC ("OpCo"); (ii) Stagwell Media contributed the equity interests of Stagwell Marketing and its direct and indirect subsidiaries to OpCo; and (iii) the Company converted into a Delaware corporation, succeeded MDC as the publicly-traded company and changed its name to Stagwell Inc.

In respect of the Transactions, the assets acquired assets and assumed liabilities together of Goodstuff based upon their fair values, with acquired processes and employees, represent a business as defined in the FASB's Accounting Standards Codification ("ASC") 805, Business Combinations ("ASC 805"). The Transactions were accounted for as a

reverse acquisition using the acquisition method of accounting, pursuant to ASC Topic 805-10, Business Combinations, with MDC treated as the legal acquirer and SMG treated as the accounting acquirer. In identifying SMG as the acquiring entity for accounting purposes, MDC and SMG took into account a number of factors, including the relative voting rights and the corporate governance structure of the Company. SMG is considered the accounting acquirer since Stagwell Media controls the board of directors of the Company following the Transactions and received an indirect ownership interest in the Company's only operating subsidiary, OpCo, of 69.55% ownership of OpCo's common units. However, no single factor was the sole determinant in the overall conclusion that Stagwell is the acquirer for accounting purposes; rather all factors were considered in arriving at such conclusion. Under the acquisition method of accounting, the assets and liabilities of MDC, as the accounting acquiree, were recorded at their respective fair value as of the date the Transactions were completed.

On August 2, 2021, an aggregate of 179,970 shares of the Company's Class C common stock, par value \$0.00001 per share (the "Class C Common Stock"), were issued to Stagwell Media in exchange for \$1.80. The Class C Common Stock does not participate in the earnings of the Company. Additionally, an aggregate of 179,970 OpCo common units were issued to Stagwell Media in exchange for the equity interests of the Stagwell Subject Entities (the "Stagwell OpCo Contribution").

The fair value of the purchase consideration was \$429,062, consisting of approximately 80,000 shares of the Company's Class A Common Stock, Class B common stock, par value \$0.001 per share (the "Class B Common Stock"), and common stock equivalents based on a per share price of approximately \$5.42, the closing stock price on the date of the combination.

ASC 805 requires the allocation of the any excess purchase price consideration allocated to the fair value of the identified assets acquired and liabilities assumed upon consummation of a business combination. For this purpose, fair value shall be determined in accordance with the fair value concepts defined in ASC 820, "Fair Value Measurements and Disclosures," ("ASC 820"). Fair value is defined in ASC 820 as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." Fair value measurements can be highly subjective and can involve a high degree of estimation. The purchase price valuation was completed during the third quarter of 2022.

The purchase price allocation is as follows:

	Amount
Cash and cash equivalents	\$ 130,197
Accounts receivable	398,736
Other current assets	41,291
Fixed assets	81,343
Right-of-use lease assets - operating leases	252,739
Identifiable intangible assets	810,900
Other assets	18,282
Accounts payable	(139,590)
Accruals and other liabilities	(307,439)
Advance billings	(211,212)
Current portion of lease liabilities	(54,009)
Current portion of deferred acquisition consideration	(53,054)
Long-term debt	(901,736)
Revolving credit facility	(109,954)
Long-term portion of deferred acquisition consideration	(8,056)
Long-term portion of lease liabilities	(283,637)
Other liabilities	(139,026)
Redeemable noncontrolling interests	(25,990)
Preferred shares	(209,980)
Noncontrolling interests	(151,090)
Net liabilities assumed	(861,285)
Goodwill	1,290,347
Purchase price consideration	\$ 429,062

goodwill.

The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributed to the assembled workforce of MDC, Goodstuff. Goodwill of \$932,582, \$285,396 and \$72,369 \$4.4 million was assigned to the Integrated Agencies Network, the Brand Performance Network and the Communications Network reportable segments, respectively. segment. The majority of the goodwill is non-deductible for income tax purposes. Goodwill has been updated from the previously reported amount of \$1,299,374 as of December 31, 2021 to reflect a change in certain assets and liabilities. There has been no change that impacts the Consolidated Statement of Operations.

Intangible assets consist of trade names and customer relationships. We amortize purchased intangible assets on a straight-line basis over their respective useful lives. The weighted average life of the total acquired identifiable intangible assets is approximately thirteen years. The following table presents the details Trade names had a fair value of identifiable intangible assets acquired:

	Fair Value	Estimated Useful Life in Years
Trade Names	\$ 98,000	10
Customer Relationships	712,900	6-15
Total Acquired Intangible Assets	\$ 810,900	

\$1.3 million with an estimated useful life of fifteen years, and customer relationships had a fair value of \$13.6 million with an estimated useful life of ten years.

Pro Forma Financial Information (unaudited)

The unaudited pro forma information for the periods set forth below gives effect to the acquisition as if it occurred as of January 1, 2020. The pro forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the acquisitions been consummated as of that time.

	Years Ended December 31,	
	2021	2020
Revenue	\$ 2,224,343	\$ 2,087,025

The pro forma net loss was nominal for the years ended December 31, 2021 and 2020. 2020, pro forma revenue was \$1,488.5 million and \$902.6 million, respectively, and net income was \$38.7 million and \$72.7 million, respectively.

Revenue attributable to MDC, included within the year ended December 31, 2021 Consolidated Statements of Operations was \$605,448. The net loss included within the year ended December 31, 2021 Consolidated Statements of Operations was nominal.

Transaction expenses were approximately \$15,000 for the twelve months ended December 31, 2021.

Acquisition of GoodStuff Holdings Limited

On December 31, 2021, the Company acquired GoodStuff Holdings Limited ("Goodstuff") for approximately £21,000 (approximately \$28,188) £21.0 million (\$28.2 million) of cash consideration as well as contingent consideration up to a maximum of £22,000, £22.0 million. The cash consideration included an initial payment of £8,000, £8.0 million, an excess working capital payment of approximately £9,000 £9.0 million and approximately £4,000 £4.0 million of deferred payments. The contingent consideration is tied to employees' service and will be recognized as deferred acquisition consideration expense through 2026. Therefore, only the cash consideration has been allocated to the \$23.8 million of assets acquired and assumed liabilities of Goodstuff based upon their fair values, with any excess purchase price allocated to goodwill. The purchase price allocation is as follows:

	Amount
Cash and cash equivalents	\$ 30,985
Accounts receivable	28,685
Other current assets	3,207
Fixed assets	237
Right-of-use lease assets - operating leases	2,060
Identifiable intangible assets	14,974
Other assets	55
Accounts payable	(6,344)
Accruals and other liabilities	(27,353)
Advance billings	(15,956)
Current portion of lease liabilities	(857)
Income taxes payable	(967)
Long-term portion of lease liabilities	(3,744)
Other liabilities	(1,204)
Net assets assumed	23,778
Goodwill	4,410
Purchase price consideration	\$ 28,188

The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributed to the assembled workforce of Goodstuff. Goodwill of \$4,410 \$4.4 million was assigned to the Brand Performance Network reportable segment. The majority of the goodwill is non-deductible for income tax purposes.

Intangible assets consist of trade names and customer relationships. We amortize purchased intangible assets on a straight-line basis over their respective useful lives. The weighted average life of the total acquired identifiable intangible assets is approximately ten years. The following table presents the details Trade names had a fair value of identifiable intangible assets acquired: \$1.3 million with an estimated useful life of fifteen years, and customer relationships had a fair value of \$13.6 million with an estimated useful life of ten years.

	Fair Value	Estimated Useful Life in Years
Trade Names	\$ 1,349	15
Customer Relationships	13,625	10
Total Acquired Intangible Assets	\$ 14,974	

Pro Forma Financial Information (unaudited)

The unaudited pro forma information for the periods set forth below gives effect to the acquisition as if it occurred as of January 1, 2020. The pro forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the acquisitions been consummated as of that time. For the years ended December 31, 2021 and 2020, pro forma revenue was \$1,488.5 million and \$902.6 million, respectively, and net income was \$38.7 million and \$72.7 million, respectively.

	Years Ended December 31,	
	2021	2020
Revenue	\$ 1,488,532	\$ 902,577
Net Income	38,719	72,715

Other Acquisitions

On July 12, 2022, the Company acquired PEP Group Holdings B.V., an omnichannel content creation and adaption production company for \$0.5 million in cash consideration, as well as contingent consideration up to a maximum value of €2.6 million. The contingent consideration is subject to meeting certain future earnings targets through 2025.

On July 15, 2022, the Company acquired Apollo Program II Inc., a real-time artificial intelligence-powered software-as-a-service platform, for \$2.3 million in cash consideration, as well as guaranteed deferred payments of \$1.0 million and \$1.5 million on or prior to July 1, 2023 and July 1, 2024, respectively.

Dispositions

On October 31, 2023, the Company sold ConcentricLife, which was included in Integrated Agencies Network, to a strategic buyer for \$245.0 million in cash resulting in a pre-tax gain of \$94.5 million. The gain was recognized within Gain on sale of business within the Consolidated Statements of Operations. The divestiture did not represent a strategic shift that would have a major effect on the Company's consolidated results of operations, and therefore its results of operations were not reported as discontinued operations.

On September 15, 2021, the Company sold Reputation Defender, which was included in All Other Network, to a strategic buyer for \$40.0 million resulting in a gain of \$43.0 million. The gain was recognized within Gain on sale of business within the Consolidated Statements of Operations. The divestiture did not represent a strategic shift that would have a major effect on the Company's consolidated results of operations, and therefore its results of operations were not reported as discontinued operations.

2022 Purchases of Noncontrolling Interests

On April 1, 2022, the Company acquired the remaining interest in Hello Design, LLC ("Hello Design") that it did not already own for an aggregate purchase price of \$4,600, \$4.6 million, comprised of a closing cash payment of \$3,600 \$3.6 million and a contingent deferred acquisition payment of \$1,000, \$1.0 million. The contingent deferred payment of \$1.0 million was based on paid in the financial results second quarter of the underlying business through the end of 2022 with the payment due in 2023.

2021 Purchases of Noncontrolling Interests

On October 1, 2021, the Company entered into an agreement to purchase the approximate 27% remaining interest of Targeted Victory it did not already own, stipulating the purchase of 13.3% on October 1, 2021 and the remaining 13.3% on July 31, 2023, with the option for the seller to delay the second purchase until July 31, 2025. The purchase price of \$73,898 \$73.9 million was comprised of a contingent deferred acquisition payment and redeemable noncontrolling interest with estimated present values at the acquisition date of \$46,618 \$46.6 million and \$27,280, \$27.3 million, respectively. The contingent deferred payment and redeemable noncontrolling interest were based on the financial results of the underlying business through July 2023 and July 2025, respectively. In addition, at the option of the Company, up to 50% of the total purchase price can be paid in shares of Class A Common Stock and in no event may the purchase price exceed \$135,000, \$135.0 million.

On December 1, 2021, the Company acquired the approximate 27% remaining interest of Concentric ConcentricLife it did not already own for an aggregate purchase price of \$8,058, \$8.1 million, comprised of a closing cash payment of \$1,581 \$1.6 million and contingent deferred acquisition payments with an estimated present value at the acquisition date of \$6,477, \$6.5 million. The contingent deferred payments were based on the financial results of the underlying business through 2022 with final payment due in 2023, business.

On December 31, 2021, the Company acquired the approximate 49% remaining interest of Instrument it did not already own for an aggregate purchase price of \$157,072, \$157.1 million, comprised of a closing payment of \$37,500 \$37.5 million in cash and \$37,500 \$37.5 million in shares of Class A Common Stock and deferred acquisition payments with an estimated present value at the acquisition date of \$82,072, \$82.1 million, with approximately 40% to be paid in shares of Class A Common Stock. The deferred payments are not contingent and will be paid in 2023 and 2024.

2021 Disposition

On September 15, 2021, the Company sold Reputation Defender to a strategic buyer for approximately \$40,000 resulting in a gain of approximately \$43,000. The gain was recognized within Other, net within the Consolidated Statements of Operations.

2020 Acquisitions

On February 14, 2020, the Company acquired Sloane & Company ("Sloane") for approximately \$24,400 of total consideration. Total consideration included a cash payment of \$19,600 and contingent deferred acquisition consideration of \$4,800.

On August 14, 2020, the Company acquired Kettle Solutions, LLC ("Kettle") for approximately \$5,400 of total consideration. Total consideration included a cash payment of \$4,900, plus an additional \$500 due upon the finalization of Kettle's working capital accounts, as outlined in the purchase agreement. The purchase agreement also offers the previous owners of Kettle an additional \$11,900 in deferred consideration.

On October 30, 2020, the Company acquired TrueLogic Software, LLC, Ramenu S.A., and Polar Bear Development S.R.L. (collectively referred to as "Truelogic"), for approximately \$17,300 of total consideration. Total consideration included a cash payment of \$8,900, the acquisition date fair value of the contingent deferred acquisition consideration of \$7,900, and an additional \$500 due upon the finalization of Truelogic's working capital accounts, as outlined in the purchase agreement.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of the date of each acquisition:

	2020			
	Sloane	Kettle	Truelogic	Total
Cash, cash equivalents and restricted cash	\$ —	\$ 49	\$ 90	\$ 139
Accounts receivable and other current assets	2,768	2,732	2,958	8,458
Other noncurrent assets	—	172	10	182
Intangible assets	5,900	1,930	9,500	17,330
Property and equipment	72	58	50	180
Right-of-use lease assets – operating leases	—	533	201	734
Accounts payable and other current liabilities	(469)	(552)	(1,063)	(2,084)
Advanced billings	(130)	(310)	(429)	(869)
Operating lease liabilities	—	(533)	(201)	(734)
Goodwill	16,275	1,323	6,184	23,782
Total net assets acquired	\$ 24,416	\$ 5,402	\$ 17,300	\$ 47,118

Goodwill recognized on the Sloane, Kettle and Truelogic acquisitions is fully-deductible for income tax purposes.

The following table reports the fair value of intangible assets acquired, including the corresponding weighted average amortization periods, as of the date of each acquisition:

	Weighted Average Amortization Period	2020		
		Sloane	Kettle	Truelogic
Customer relationships	10 years	\$ 4,600	\$ 1,600	\$ 9,100
Trade names	11 years	1,300	330	400
Total		\$ 5,900	\$ 1,930	\$ 9,500

The following table summarizes the total revenue and net income included in the Consolidated Statements of Operations for the year ended December 31, 2020 from the date of each acquisition:

	Year Ended December 31, 2020
Revenue	\$ 22,381
Net Income	2,685

Pro Forma Financial Information (unaudited)

The unaudited pro forma information for the periods set forth below gives effect to the 2020 acquisitions as if they had occurred as of January 1, 2020. The pro forma information is presented for informational purposes only and is not necessarily

indicative of the results of operations that actually would have been achieved had the acquisitions been consummated as of that time:

Year Ended December 31, 2020		
Revenue	\$	911,203
Net Income		75,767

contingent.

5. Revenue

The Company's revenue recognition policies are established in accordance with ASC 606, and accordingly, revenue is recognized when control of the promised goods or services is transferred to our clients, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

The Stagwell network provides an extensive range of services to our clients, offering a variety of marketing and communication capabilities including strategy, creative and production for advertising campaigns across a variety of platforms (print, digital, social media, television broadcast), public relations services including strategy, editorial, crisis support or issues management, online fundraising, media training, influencer engagement and events management, management, and subscription-based software-as-a-service and data-as-a service models. We also provide media-based solutions to drive brand performance, including buying and planning across a range of platforms (out-of-home, paid search, social media, lead generation, programmatic, television broadcast), experiential marketing and application/website design and development.

The primary source of the Company's revenue is from Brand arrangements in the form of fees for services performed, commissions, and from performance incentives or bonuses, depending on the terms of the client contract. In all circumstances, revenue is only recognized when collection is reasonably assured. Certain of the Company's contractual arrangements have more than one performance obligation. For such arrangements, revenue is allocated to each performance obligation based on its relative stand-alone selling price. Stand-alone selling prices are determined based on the prices charged to clients on a stand-alone basis or using expected cost plus margin.

The determination of our performance obligations is specific to the services included within each contract. Based on a client's requirements within the contract, and how these services are provided, multiple services could represent separate performance obligations or be combined and considered one performance obligation. Contracts that contain services that can be provided on a stand-alone basis, that are not significantly integrated or interdependent, and that do not significantly modify or customize each other, are typically considered separate performance obligations. Typically, these services are creative (or strategy), production, experiential marketing and media planning and media buying, buying arrangements.

Certain of the Company's contracts consist of a single performance obligation. In these instances, the Company does not consider the underlying activities as separate or distinct performance obligations because its services are highly interrelated, and the integration of the various components is essential to the overall promise to the Company's customer. Typically, these services are public relations, and application/website design and development. In other instances, the Company is engaged to provide marketing services, such online fundraising and brand performance media solutions, that include a variety of distinct activities performed throughout the contract term that are substantially the same and that are satisfied over time, and therefore the Company considers these to be one performance obligation.

We typically satisfy our performance obligations over time, as services are performed. Fees for services are typically recognized using input methods (direct labor hours, materials and third-party costs) that correspond with efforts incurred to date in relation to total estimated efforts to complete the contract. To a lesser extent, revenue is recognized using output measures, such as impressions or ongoing reporting. For client contracts when the Company has a stand-ready obligation to perform services, the Company recognizes revenue ratably using a time-based measure. In addition, for client contracts where the Company is providing online subscription-based hosted services, it recognizes revenue ratably over the contract term. Point in time recognition primarily relates to certain commission-based contracts, which are recognized upon the placement of advertisements in various media when the Company has no further performance obligation.

Revenue is recognized net of sales and other taxes due to be collected and remitted to governmental authorities. The Company's contracts typically provide for termination by either party within 30 to 90 days. Although payment terms vary by client, they are typically within 30 to 60 days. In addition, the Company generally has the right to payment for all services provided through the end of the contract or termination date.

Within each contract, we identify whether the Company is principal or agent at the service level. In arrangements where the Company has substantive control over the service before transferring it to the client, and is primarily responsible for integrating the services into the final deliverables, we act as principal. In these arrangements, revenue is recorded at the gross amount billed. Accordingly, for these contracts the Company has included reimbursed expenses in revenue. In other arrangements

where a third-party supplier, rather than the Company, is primarily responsible for the integration of services into the final deliverables, and thus the Company is solely arranging for the third-party supplier to provide these services to our client, we generally act as agent and record revenue equal to the net amount retained, when the fee or commission is earned. The role of Stagwell's Brands under a typical production services agreement is to facilitate a client's purchasing of production capabilities from a third-party production company in accordance with the client's strategy and guidelines. The obligation of Stagwell's Brands under typical media buying services is to negotiate and purchase advertising media from a third-party media vendor on behalf of a client to execute its media plan. Typically, we do not obtain control prior to transferring these services to our clients; therefore, we primarily act as agent for production and media buying services. In situations where we are primarily responsible for fulfillment or have discretion in pricing, we have concluded that we have obtained control and act as principal.

A small portion of the Company's contractual arrangements with clients include performance incentive provisions, which allow the Company to earn additional revenues as a result of its performance relative to both quantitative and qualitative goals. Incentive compensation is primarily estimated using the most likely amount method and is included in revenue up to the amount that is not expected to result in a reversal of a significant amount of cumulative revenue recognized. We recognize revenue related to performance incentives as we satisfy the performance obligation to which the performance incentives are related.

Disaggregated Revenue Data

The Company provides a broad range of services to a large base of clients across the full spectrum of verticals globally. The primary source of revenue is from Brand arrangements in the form of fees for services performed, commissions, and from performance incentives or bonuses. Certain clients may engage with the Company in various geographic locations, across multiple disciplines, and through multiple Brands. Representation of a client rarely means that Stagwell handles marketing communications for all Brands or product lines of the client in every geographical location. The Company's Brands often cooperate with one another through referrals and the sharing of both services and expertise, which enables Stagwell to service clients' varied marketing needs by crafting custom integrated solutions. Additionally, the Company maintains separate, independent operating companies to enable it to effectively manage potential conflicts of interest by representing competing clients across the Stagwell network.

The following table presents revenue disaggregated by our principal capabilities for the years ended December 31, 2022, December 31, 2023, 2021, 2022, and 2020:

Principal Capabilities	Reportable Segment	Year Ended December 31,		
		2022	2021	2020
Digital Transformation	All Segments	\$ 784,667	\$ 400,857	\$ 374,689
Creativity and Communications	Integrated Agencies Network, Brand Performance Network, Communications Network	1,221,855	561,538	152,499
Performance Media and Data	Brand Performance Network	456,640	341,730	253,011
Consumer Insights and Strategy	Integrated Agencies Network	224,630	165,238	107,833
		\$ 2,687,792	\$ 1,469,363	\$ 888,032

2021. We reclassified certain brands into the Stagwell has historically largely focused where Marketing Cloud Group (software-as-a-service and data-as-a-service tools for the Company was founded in North America, the largest market for its services in-house marketers) principal capability in the world. The Company has expanded its global footprint third quarter of 2023. All prior periods presented have been revised to support clients in international markets. reflect these changes.

Principal Capabilities	Reportable Segment	Year Ended December 31,		
		2023	2022	2021
(dollars in thousands)				
Digital Transformation	All segments	\$ 636,624	\$ 773,677	\$ 373,657
Creativity and Communications	All segments	1,160,178	1,222,289	591,062
Performance Media and Data	Brand Performance Network	295,247	279,903	193,476
Consumer Insights and Strategy	Integrated Agencies Network	199,260	212,869	162,733
Stagwell Marketing Cloud Group	All segments	235,868	199,054	148,435
		\$ 2,527,177	\$ 2,687,792	\$ 1,469,363

Stagwell's Brands are located in the United States and United Kingdom, and more than 32 28 other countries around the world. In the past, The Company continues to expand its global footprint to support clients in international markets. Historically, some clients have responded to weakening economic conditions with reductions to their marketing budgets, which included discretionary components that are easier to reduce in the short term than other operating expenses.

The following table presents revenue disaggregated by geography for the years ended December 31, 2022, December 31, 2023, 2021, 2022, and 2020: 2021:

			Year Ended December 31,							
			Year Ended December 31,							
			Year Ended December 31,							
			Year Ended December 31,							
Geographical Location	Geographical Location	Reportable Segment	2022	2021	2020	Geographical Location	Reportable Segment	2023	2022	2021
			(dollars in thousands)						(dollars in thousands)	
United States	United States	All	\$2,218,681	\$1,219,816	\$804,418					
United Kingdom	United Kingdom	All	181,764	105,961	41,489					
Other	Other	All	287,347	143,586	42,125					
			\$2,687,792	\$1,469,363	\$888,032					
			\$							

Contract Assets and Liabilities

Contract assets consist of fees and reimbursable outside vendor costs incurred on behalf of clients when providing advertising, marketing and corporate communications services that have not yet been invoiced to clients. Such amounts are invoiced to clients at various times over the course of providing services. Unbilled service fees were \$116,381 \$141.9 million and \$116,558 \$116.4 million at December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively, and are included as a component of Accounts receivable, net on the Consolidated Balance Sheets. Outside vendor costs incurred on behalf of clients which have yet to be invoiced were \$93,077 \$114.1 million and \$63,065 \$93.1 million at December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively, and are included on the Consolidated Balance Sheets as Expenditures billable to clients. Such amounts are invoiced to clients at various times over the course of providing services.

Contract liabilities represent advanced billings to customers for fees and reimbursements of third-party costs, whether we act as principal or agent. Such fees and reimbursements of third-party costs are classified as Advance billings on the Company's Consolidated Balance Sheets. In arrangements in which we are acting as an agent, the recognition related to the contract liability is presented on a net basis within the Consolidated Statements of Operations. Advance billings at December 31, 2023 and December 31, 2022 were \$301.7 million and December 31, 2021 were \$337,034 and \$361,885, \$337.0 million, respectively. The decrease in Advance billings of \$24,851 \$35.4 million for the year ended December 31, 2022 December 31, 2023 was primarily driven by \$345,277 \$320.0 million of revenues revenue recognized that were was included in the Advance billings balances as of December 31, 2021 and reductions due to December 31, 2022, the incurrence of third-party costs, partially offset by the acquisition of certain contract liabilities (as detailed below) and cash payments received or due in advance of satisfying our performance obligations.

In 2022, the Company acquired \$3,195 in contract assets and \$7,620 in contract liabilities in connection with the acquisitions of BNG, Wolfgang, and Maru. See Note 4 of the Notes included herein for additional information related to these acquisitions.

Changes in the contract asset and liability balances during the year ended December 31, 2022 December 31, 2023 were not materially impacted by write offs, impairment losses or any other factors outside of the above acquisitions. factors.

Unsatisfied Performance Obligations

The majority of our contracts are for periods of one year or less. For those contracts with a term of more than one year, we had approximately \$52,613 \$97.7 million of unsatisfied performance obligations as of December 31, 2022 December 31, 2023 of which we expect to recognize approximately 82% in 2023, 16% 86% in 2024, 11% in 2025 and 2% 3% in 2025 2026.

6. Income Earnings (Loss) Per Share

The following table sets tables set forth the computations of basic and diluted income per common share for the year ended December 31, 2022 December 31, 2023 (amounts in thousands, except per share amounts):

	Year Ended December 31,	
	2022	2023
Income Earnings Per Share - Basic		
Numerator:		
Net income	\$ 65,842	41,642
Net income attributable to Class C shareholders	(39,066)	(24,452)
Net income attributable to other equity interest holders		(14,121) (2,442)
Net income attributable to noncontrolling and redeemable noncontrolling interests	(41,508)	(38,573)
Net income attributable to Stagwell Inc. common shareholders	\$ 27,269	134
Denominator:		
Weighted Average number of common shares outstanding	124,262	117,259
Income Earnings Per Share - Basic	\$ 0.22	0.00
Income Earnings Per Share - Diluted		
Numerator:		
Net income attributable to Stagwell Inc. common shareholders	\$ 27,269	134
Net income attributable to Class C shareholders		24,452
	\$ 51,721	
Denominator:		
Basic - Weighted Average number of common shares outstanding	124,262	117,259
Dilutive shares:		
Stock appreciation rights right awards	1,896	421
Restricted share and restricted unit awards	4,467	4,485
Class C Employee Stock Purchase Plan shares	165,971	5
Diluted Dilutive - Weighted average number of common shares outstanding	296,596	122,170
Income Earnings Per Share - Diluted	\$ 0.17	0.00
Anti-dilutive:		
Class C Shares	154,972	
Class A Shares to settle deferred acquisition obligations	5,127	

Restricted stock awards of 2,292 as of December 31, 2022 are excluded from the computation of diluted income per common share because the performance contingency necessary for vesting had not been met as of the reporting date.

The following table sets forth the computations of basic and diluted loss earnings per common share for the year ended December 31, 2022:

	Year Ended December 31,	
	2022	
Earnings Per Share - Basic	(amounts in thousands, except per share amounts)	
<u>Numerator:</u>		
Net income	\$	50,044
Net income attributable to Class C shareholders		(16,004)
Net income attributable to other equity interest holders		(14,121)
Net income attributable to noncontrolling and redeemable noncontrolling interests		(30,125)
Net income attributable to Stagwell Inc. common shareholders	\$	19,919
<u>Denominator:</u>		
Weighted Average number of common shares outstanding		124,262
Earnings Per Share - Basic	\$	0.16
Earnings Per Share - Diluted		
<u>Numerator:</u>		
Net income attributable to Stagwell Inc. common shareholders	\$	19,919
Net income attributable to Class C shareholders		16,004
	\$	35,923
<u>Denominator:</u>		
Basic - Weighted Average number of common shares outstanding		124,262
<u>Dilutive shares:</u>		
Stock appreciation right awards		1,896
Restricted share and restricted unit awards		4,467
Class C Shares		165,971
Dilutive - Weighted average number of common shares outstanding		296,596
Earnings Per Share - Diluted	\$	0.12

Restricted stock awards of 2.9 million and 2.3 million as of December 31, 2023 and 2022, respectively, were excluded from the computation of diluted earnings (loss) per common share because the performance contingencies necessary for vesting were not met as of the reporting date.

The following table sets forth the computations of basic and diluted earnings per common share for the year ended December 31, 2021:

	Year Ended December 31,	
	2021	
<u>Numerator:</u>		
Net loss attributable to Stagwell Inc. common shareholders	\$	(3,706)
<u>Denominator:</u>		
Weighted average number of common shares outstanding		90,426
Loss Per Share - Basic & Diluted		\$ (0.04)
<u>Anti-dilutive:</u>		
Class C shares		179,970
Stock Appreciation Rights and Restricted Awards		9,509

On September 23, 2021, the Company provided notices of conversion to each holder of record of each share of the Company's Series 6 and Series 8 Preferred Stock. Pursuant to the notices, the 50,000 issued and outstanding shares of Series 6 Preferred Stock were converted into 12,087 shares of Class A Common Stock, in the aggregate, on October 7, 2021, and the 73,849 issued and outstanding shares of Series 8 Preferred Stock were converted into 20,949 shares of Class A Common Stock, in the aggregate, on November 8, 2021.

SMG's equity structure, prior to the combination with MDC, was a non-unitized single member limited liability company, resulting in all components of equity attributable to the member being reported within Members' Capital. Given that SMG was a non-unitized single member limited liability company, net income (loss) prior to the combination is not applicable for purposes of calculating earnings per share. Therefore, the net income (loss) in the table above includes the income or loss for the period beginning on the acquisition date through the end of the respective reporting period and as such will not reconcile to the respective amounts presented within the Consolidated Statements of Operations.

7. Fixed Assets

The following is a summary of the Company's fixed assets as of December 31, 2021:

	2022			2021		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Computers, furniture and fixtures	\$ 56,788	\$ (27,689)	\$ 29,099	\$ 41,839	\$ (18,136)	\$ 23,703
Leasehold improvements	101,535	(31,756)	69,779	91,572	(17,759)	73,813
	<u>\$ 158,323</u>	<u>\$ (59,445)</u>	<u>\$ 98,878</u>	<u>\$ 133,411</u>	<u>\$ (35,895)</u>	<u>\$ 97,516</u>

The table above has been revised to reclassify previously reported gross capitalized software and accumulated amortization of \$29,844 and \$8,757, respectively, as of December 31, 2021 that should have been classified within intangible assets rather than fixed assets to more closely align these net assets with the category of assets they represent.

	2023			2022		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Computers, furniture and fixtures	\$ 60,131	\$ (36,535)	\$ 23,596	\$ 56,788	\$ (27,689)	\$ 29,099
Leasehold improvements	99,127	(44,898)	54,229	101,535	(31,756)	69,779
	<u>\$ 159,258</u>	<u>\$ (81,433)</u>	<u>\$ 77,825</u>	<u>\$ 158,323</u>	<u>\$ (59,445)</u>	<u>\$ 98,878</u>

Depreciation expense for the years ended December 31, 2022, December 31, 2023, 2022, and 2021 were \$29.0 million, \$26.5 million and 2020 was \$26,510, \$15,416 and \$7,026, \$15.4 million, respectively.

8. Goodwill and Intangible Assets

As of December 31, goodwill was as follows:

	Integrated Agencies Network	Brand Performance Network	Communications Network	All Other	Total
Balance at December 31, 2019	\$ 88,094	\$ 177,073	\$ 33,258	\$ 26,760	\$ 325,185
Acquired goodwill	7,070	235	16,275	195	23,775
Foreign currency translation	—	3,331	—	(566)	2,765
Integrated Agencies Network					
Integrated Agencies Network					
Integrated Agencies Network					
		Brand Performance Network	Communications Network	All Other	Total

Balance at December 31, 2020	Balance at December 31, 2020	\$ 95,164	\$ 180,639	\$ 49,533	\$26,389	\$ 351,725
Acquired goodwill	Acquired goodwill	1,058,411	178,994	66,244	—	1,303,649
Disposition	Disposition	—	—	—	(935)	(935)
Foreign currency translation	Foreign currency translation	(502)	(1,020)	—	(194)	(1,716)
Balance at December 31, 2021	Balance at December 31, 2021	\$1,153,073	\$ 358,613	\$ 115,777	\$25,260	\$1,652,723
Acquired goodwill ⁽¹⁾		3,330	26,176	6,569	29,387	65,462
Acquired goodwill						
Impairment	Impairment	(49,840)	(49,314)	—	(17,560)	(116,714)
Transfer of goodwill between segments ⁽²⁾		(111,065)	111,065	—	—	—
Transfer of goodwill between segments ⁽¹⁾						
Foreign currency translation	Foreign currency translation	(11,422)	(13,467)	(753)	—	(25,642)
Other ⁽³⁾		(15,682)	685	6,124	—	(8,873)
Other ⁽²⁾						
Balance at December 31, 2022	Balance at December 31, 2022	\$ 968,394	\$ 433,758	\$ 127,717	\$37,087	\$1,566,956
Acquired goodwill						
Disposition - ConcentricLife						
Transfer of goodwill between segments ⁽¹⁾						
Foreign currency translation						
Other ⁽²⁾						
Balance at December 31, 2023						

⁽¹⁾ For the year ended December 31, 2022, Transfer of goodwill resulting from changes to the Company's acquisitions resulted in goodwill of \$65,462. See Note 4 of the Notes included herein for information related to the acquisitions.

⁽²⁾ Due reportable segments (Networks) due to changes in the Company's internal management and reporting structure in the second quarter of 2022, reportable segment results for periods presented prior to the second quarter of 2022 have been recast to reflect the reclassification of certain reporting units (Brands) between operating segments. Specifically, Forsman & Bodenfors, Observatory, Crispin Porter Bogusky, Bruce Mau and Vitro Brands, previously within the Integrated Agencies Network, are now within the Brand Performance Network. structure. See Note 20 of the Notes included herein for additional information related to these changes.

⁽³⁾ ⁽²⁾ Other represents Represents adjustments associated with the finalization of purchase price accounting for acquisitions occurring in 2021. acquisitions.

There was \$116.7 million of accumulated goodwill impairment charges as of December 31, 2022 and December 31, 2023.

The Company recognized an impairment and other losses charge of \$122.179\$122.2 million for the year ended December 31, 2022, primarily related to the impairment of goodwill totaling \$116,714. \$116.7 million. The goodwill impairment was to write-down the carrying value in excess of the fair value at eight reporting units, two in the Integrated Agencies Network, five in the Brand Performance Network and one within the All Other category. The charge was recorded within Impairment and other losses on the Consolidated Statements of Operations.

At each reporting period, the Company assesses whether it is more likely than not that the carrying amount of its reporting units exceed their fair value. As of October 1, 2022 (the annual impairment test date) and December 31, 2022, the Company performed this assessment and determined that certain reporting units' carrying values exceeded their fair value. As of October 1, 2022, the Company performed a quantitative impairment test for all reporting units and as of December 31, 2022, the Company performed a quantitative impairment test for certain reporting units that were determined to be more likely than not impaired. As a result of these tests, management concluded there to be certain reporting units with a carrying value in excess of their fair value resulting in an impairment of \$116,714 in 2022. The difference in carrying value and fair value was primarily due to a combination of changes in fair value measures such as an increase in interest rates and decrease in market multiples of comparable public companies, as well as current financial forecasts below the previous forecast.

In its assessment, the Company uses a combination of the income approach, which incorporates the use of the discounted cash flow method, and the market approach, which incorporates the use of earnings and revenue multiples based on market data. The Company generally applies an equal weighting to the income and market approaches for the impairment test. The income approach and the market approach both require the exercise of significant judgment, including judgment about the amount and timing of expected future cash flows, assumed terminal value and appropriate discount rates.

There was \$116,714 of accumulated goodwill impairment charges as of December 31, 2022.

The gross and net amounts of intangible assets other than goodwill as of December 31, are as follows:

Intangible Assets	2022		2021	
Customer relationships – gross	\$	875,160	\$	875,541
Accumulated amortization		(150,655)		(92,746)
Customer relationships – net	\$	724,505	\$	782,795
Trade names – gross	\$	197,037	\$	190,162
Accumulated amortization		(53,150)		(36,775)
Trade names – net	\$	143,887	\$	153,387
Developed technology and other intangible assets – gross	\$	63,565	\$	37,550
Accumulated amortization		(24,428)		(14,950)
Developed technology and other intangible assets – net	\$	39,137	\$	22,600
Total intangible assets	\$	1,135,762	\$	1,103,253
Accumulated amortization		(228,233)		(144,471)
Total intangible assets – net	\$	907,529	\$	958,782

Intangible Assets	2023		2022	
Customer relationships, gross	\$	870,987	\$	875,160
Accumulated amortization		(218,808)		(150,655)
Customer relationships, net	\$	652,179	\$	724,505
Trade names, gross	\$	188,820	\$	197,037
Accumulated amortization		(74,141)		(53,150)
Trade names, net	\$	114,679	\$	143,887
Capitalized software, gross	\$	70,622	\$	42,234
Accumulated amortization		(30,928)		(18,591)
Capitalized software, net	\$	39,694	\$	23,643
Developed technology and other, gross	\$	21,583	\$	21,331
Accumulated amortization		(9,915)		(5,837)
Developed technology and other, net	\$	11,668	\$	15,494
Total intangible assets, gross	\$	1,152,012	\$	1,135,762
Accumulated amortization		(333,792)		(228,233)

Total intangible assets, net	\$	818,220	\$	907,529

The table above has been revised to reclassify previously reported gross capitalized software and accumulated amortization of \$29,844 and \$8,757, respectively, as of December 31, 2021 that should have been classified within intangible assets rather than fixed assets to more closely align these net assets with the category of assets they represent.

For the year ended December 31, 2022, the Company recognized an impairment and other losses charge of \$1,400 \$16.2 million for the year ended December 31, 2021, primarily related to intangible assets. The impairment was to reduce the carrying values of intangible assets within one reporting unit in the Integrated Agencies Network and Brand Performance Network reportable segments primarily two in connection with the abandonment of certain trade names as part of the integration of certain entities. For the year ended December 31, 2021, the Company recognized an impairment charge of \$16,187 to reduce the carrying values of intangible assets within the Integrated Agencies Network and Brand Performance Media Network reportable segments in connection with the abandonment of certain trade names as part of the rebranding of certain Brands. These charges were The charge was recorded as within Impairment and other losses on the Consolidated Statements of Operations.

The weighted average amortization period for customer relationships is fourteen thirteen years, trade names is twelve years, capitalized software is three years, and developed technology and other intangible assets is three six years. In total, the weighted average amortization period is thirteen twelve years. Amortization expense related to amortizable intangible assets for the years ended December 31, 2022 December 31, 2023, 2022, and 2021 was \$112.2 million, \$103.1 million, and 2020 was \$103,060, \$61,054, and \$33,999, \$61.1 million, respectively.

The estimated amortization expense for the five succeeding years is as follows:

Year	Year	Amortization	Year	Amortization
2023		\$ 101,734		
2024	2024	96,245		
2025	2025	95,380		
2026	2026	84,089		
2027	2027	82,007		
2028				
Thereafter	Thereafter	448,074		

9. Deferred Acquisition Consideration

Deferred acquisition consideration on the Consolidated Balance Sheets consists of deferred obligations related to contingent and fixed purchase price payments, and contingent and fixed retention payments tied to continued employment of specific personnel. Contingent deferred acquisition consideration is recorded Arrangements that are not contingent upon future employment are initially measured at the acquisition date fair value and adjusted are remeasured at each reporting period within Office and general expenses on the Consolidated Statements of Operations.

Operations. Arrangements that are contingent upon future employment are expensed as earned over the respective vesting (employment) period within Office and general expenses on the Consolidated Statements of Operations.

The following table presents changes in contingent deferred acquisition consideration which is measured at fair value on a recurring basis using significant unobservable inputs, and a reconciliation to the amounts reported on the Consolidated Balance Sheets as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022:

		December 31, 2022	December 31, 2021
	December 31, 2023	December 31, 2023	December 31, 2022
	(dollars in thousands)		(dollars in thousands)
Beginning balance	Beginning balance	\$ 222,369	\$ 17,847
Payments (1)	Payments (1)	(73,963)	(12,431)
Adjustments to deferred acquisition consideration	Adjustments to deferred acquisition consideration	(12,779)	18,721
(1) (2)	(1) (2)		
Additions (2)	Additions (2)	26,594	198,937
(3)	(3)		

Currency translation adjustment	Currency translation adjustment	(759)	—
Other	Other	(139)	(705)
Ending balance (3) (4)	Ending balance (3) (4)	\$ 161,323	\$ 222,369

(1) Adjustment Includes deferred acquisition consideration payments settled in shares of Class A Common Stock of \$32.8 million and \$1.0 million, respectively, for the period ended December 31, 2023 and December 31, 2022.

(2) Adjustments to deferred acquisition consideration contains fair value changes from the Company's initial estimates of deferred acquisition payments. Adjustments to deferred acquisition consideration payments and accretion of expense as awards are recorded within Office and general expenses on earned over the Consolidated Statements of Operations.

(2) In 2021, approximately \$61,000 of additions represent deferred acquisition consideration acquired in connection with the acquisition of MDC. Approximately \$136,000 of additions represent deferred acquisition consideration acquired in connection with the purchases of noncontrolling interests. See Note 4 of the Notes included herein for additional information related to the purchases of Concentric, Targeted Victory, and Instrument. In 2022, approximately \$24,000 of additions represent deferred acquisition consideration acquired in connection with the acquisitions of BNG, Apollo, PEP Group and Epicenter. See Note 4 of the Notes included herein for additional information related to these acquisitions. vesting period.

(3) As In 2021, the Company entered into an agreement to purchase the remaining 26.7% interest in Targeted Victory it did not previously own. The agreement provided for the purchase of December 31, 2022, approximately, \$51,000 50% of the interest on October 1, 2021 (paid in October 2023) and 50% on July 31, 2023 (payable in October 2025 with a seller's right to defer until October 2027). In connection with the purchase, the estimated amount payable in October 2025, was reclassified from redeemable noncontrolling interest to deferred acquisition consideration.

(4) The contingent and fixed deferred acquisition consideration is obligation was \$57.5 million and \$43.6 million, respectively, as of December 31, 2023 and \$69.9 million and \$91.4 million, respectively, as of December 31, 2022. The deferred acquisition consideration as of December 31, 2023 and December 31, 2022, includes \$29.3 million and \$51.6 million, respectively, expected to be settled in the Company's shares of Class A Common Stock.

10. Leases

The Company leases office space in North America, Europe, Asia, South America, Africa, and Australia. This space is primarily used for office and administrative purposes by the Company's employees in performing professional services. These leases are classified as operating leases and expire between years 2023 2024 through 2034. The Company's finance leases are immaterial.

The Company's leasing policies are established in accordance with FASB's Accounting Standards Codification 842 ("ASC 842, 842"), and accordingly, the Company recognizes on the balance sheet at the time of lease commencement a right-of-use lease asset and a lease liability, initially measured at the present value of the lease payments. Right-of-use lease assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. All right-of-use lease assets are reviewed for impairment. As the Company's implicit rate in its leases is not readily determinable, in determining the present value of lease payments, the Company uses its incremental borrowing rate based on the information available at the commencement date. Lease payments included in the measurement of the lease liability are comprised of non-cancellable lease payments, payments based upon an index or rate, payments for optional renewal periods where it is reasonably certain the renewal period will be exercised, and payments for early termination options unless it is reasonably certain the lease will not be terminated early.

Lease costs are recognized in the Consolidated Statements of Operations over the lease term on a straight-line basis. Leasehold improvements are depreciated on a straight-line basis over the lesser of the term of the related lease or the estimated useful life of the asset.

Some of the Company's leases contain variable lease payments, including payments based upon an index or rate. Variable lease payments based upon an index or rate are initially measured using the index or rate in effect at the lease commencement date and are included within the lease liabilities. Lease liabilities are not remeasured as a result of changes in the index or rate, rather changes in these types of payments are recognized in the period in which the obligation for those payments is incurred. In

addition, some of our leases contain variable payments for utilities, insurance, real estate tax, repairs and maintenance, and other variable operating expenses. Such amounts are not included in the measurement of the lease liability and are recognized in the period when the facts and circumstances which the variable lease payments are based upon occur.

Some of the Company's leases include options to extend or renew the leases through 2044. The renewal and extension options are not included in the lease term as the Company is not reasonably certain that it will exercise its option.

From time to time, the Company enters into sublease arrangements with unrelated third parties. These leases are classified as operating leases and expire between years 2023 2024 through 2032. Sublease income is recognized over the lease term on a straight-line basis. Currently, the Company subleases office space in North America and Europe.

As of December 31, 2022 December 31, 2023, the Company has entered into two three operating leases for which the commencement date has not yet occurred primarily because of the premises being prepared for occupancy by the landlord. Accordingly, these two three leases represent an obligation of the Company that is not reflected within the Consolidated Balance Sheets as of December 31, 2022 December 31, 2023. The aggregate future liability related to these leases is approximately \$3,266. \$5.9 million.

The discount rate used for leases accounted for under ASC 842 is the Company's collateralized credit adjusted borrowing rate.

The following table presents lease costs and other quantitative information for the years ended **December 31, 2022**, **December 31, 2023**, **2021**, **2022**, and **2020**, **2021**:

		Year Ended December 31,			Year Ended December 31,		
		2022	2021	2020	2023	2022	
Lease Cost:	Lease Cost:				Lease Cost:	(dollars in thousands)	
Operating lease cost	Operating lease cost	\$ 75,190	\$ 46,019	\$ 25,507			
Variable lease cost	Variable lease cost	18,575	10,685	3,843			
Sublease rental income	Sublease rental income	(14,446)	(7,367)	(3,777)			
Total lease cost	Total lease cost	\$ 79,319	\$ 49,337	\$ 25,573			
Additional information:	Additional information:						
Cash paid for amounts included in the measurement of lease liabilities for operating leases	Cash paid for amounts included in the measurement of lease liabilities for operating leases						
Cash paid for amounts included in the measurement of lease liabilities for operating leases	Cash paid for amounts included in the measurement of lease liabilities for operating leases						
Operating cash flows	Operating cash flows						
Operating cash flows	Operating cash flows						
Operating cash flows	Operating cash flows	\$ 91,300	\$ 53,360	\$ 20,942			
Right-of-use lease assets obtained in exchange for operating lease liabilities and other non-cash adjustments	Right-of-use lease assets obtained in exchange for operating lease liabilities and other non-cash adjustments	\$ 27,761	\$ 373,179	\$ 2,952			
Right-of-use lease assets obtained in exchange for operating lease liabilities and other non-cash adjustments ⁽¹⁾	Right-of-use lease assets obtained in exchange for operating lease liabilities and other non-cash adjustments ⁽¹⁾						
Right-of-use lease assets obtained in exchange for operating lease liabilities and other non-cash adjustments ⁽¹⁾	Right-of-use lease assets obtained in exchange for operating lease liabilities and other non-cash adjustments ⁽¹⁾						

Right-of-use lease assets obtained in exchange for operating lease liabilities and other non-cash adjustments ⁽¹⁾

(1) Includes Right-of-use lease assets obtained in exchange for operating lease liabilities related to acquisitions.

As of December 31, 2022 December 31, 2023, the weighted average remaining lease term (in years) and weighted average discount rate were 6.4 6.41 years and 4.5% 5.5%, respectively.

Operating lease expense is included in office Office and general expenses in the Consolidated Statements of Operations. The Company's lease expense for leases with a term of 12 months or less is immaterial.

In the year ended December 31, 2023, as a result of subleasing or ceasing use of office spaces, the Company recognized a charge of \$10.0 million to reduce the carrying value of four of its right-of-use lease assets and related leasehold improvements. The right-of-use lease assets and related leasehold improvements related to agencies within the Integrated Agencies Network and the Brand Performance Network.

In the year ended December 31, 2022, the Company recorded recognized a charge of \$2,582 \$2.6 million, to reduce the carrying value of three of its right-of-use lease assets and related leasehold improvements. These The right-of-use lease assets and related leasehold improvements related to agencies within the Integrated Agencies Network and the Brand Performance Network. As a result of subleasing or abandoning the space, the

The Company evaluated the facts and circumstances related to the use of the assets which indicated that they may not be recoverable. Using the estimated and actual sublease income to develop expected future cash flows, it was determined that the fair

value of the assets were less than their carrying value. This The aforementioned impairment charge is charges are included in Impairment and other losses within the Consolidated Statements of Operations.

The following table presents minimum future rental payments under the Company's leases at December 31, 2022 as of December 31, 2023 and their reconciliation to the corresponding lease liabilities:

		Maturity Analysis	
2023		\$ 91,084	
	(dollars in thousands)		(dollars in thousands)
2024	2024	77,438	
2025	2025	59,848	
2026	2026	44,589	
2027	2027	40,163	
2028			
Thereafter	Thereafter	119,119	
Total	Total	432,241	
Less:	Less:		
Present value discount	Present value discount	(61,843)	
Lease liability	Lease liability	\$370,398	

11. Debt

As of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, the Company's indebtedness was comprised as follows:

December 31, 2023	December 31, 2023	December 31, 2022
(dollars in thousands)		(dollars in thousands)
Credit Agreement		

		December 31, 2022	December 31, 2021
Revolving credit facility		\$ 100,000	\$ 110,165
5.625% Notes			
5.625% Notes			
5.625% Notes	5.625% Notes	1,100,000	1,100,000
Debt issuance costs	Debt issuance costs	(15,293)	(18,564)
5.625% Notes, net of debt issuance costs			
Total long-term debt	Total long-term debt	\$1,184,707	\$1,191,601

Interest expense related to long-term debt included in Interest expense, net on the Consolidated Statements of Operations for the years ended December 31, 2022, December 31, 2023, 2022, and 2021, was \$88.7 million, \$73.8 million, and 2020 was \$73,788, \$29,594, and \$5,472, \$29.6 million, respectively.

The amortization of debt issuance costs included in Interest expense, net on the Consolidated Statements of Operations for the years ended December 31, 2022, December 31, 2023, 2022, and 2021 was \$3.2 million, \$2.4 million, and 2020 \$2,358, \$2,693, and \$831, \$2.7 million, respectively.

Revolving Credit Agreement

On November 18, 2019, the Company entered into a debt agreement ("JPM Syndicated Facility") with a syndicate of banks led by JPMorgan Chase Bank, N.A. ("JPM"). The JPM Syndicated Facility consisted of a five-year revolving credit facility of \$265,000 ("JPM Revolver") with the right to be increased by an additional \$150,000. On March 18, 2020, the Company increased the commitments on the JPM Revolver by \$60,000 to \$325,000.

On August 2, 2021, in connection with the closing of the acquisition of MDC, the Company entered into an amended and restated credit agreement (as further amended on April 28, 2022 and December 14, 2022, the "Combined Credit Agreement") with a syndicate of banks led by JPM to increase commitments on the existing JPM Revolver. The Combined Credit Agreement consists of a \$500,000 senior secured revolving credit facility with a five-year maturity, maturity with a syndicate of banks (the "Credit Agreement"). On May 4, 2023, the Company amended the Credit Agreement to, among other things, increase the revolving commitments under the Credit Agreement by \$140.0 million from \$500.0 million to \$640.0 million and permit restricted payments for share repurchases or redemptions from certain of its stockholders in an aggregate principal amount of up to \$150.0 million.

The Combined Credit Agreement contains sub-limits for revolving loans denominated in pounds and euros not to exceed the U.S. dollar equivalent of \$50,000 \$50.0 million in pounds and \$50,000 \$50.0 million in euros and \$100,000 \$100.0 million in the aggregate. Additionally, the Combined Credit Agreement contains a \$15,000 \$15.0 million sub-limit for letters of credits credit denominated in pounds, euros or euros. It also includes an accordion feature under which Saudi Riyals and any alternative currency that is agreed among the Company may request, subject to lender approval Borrowers, the applicable Issuing Bank and certain conditions, to increase the amount of the commitments to an aggregate amount not to exceed \$650,000. Administrative Agent.

On April 28, 2022, the Company amended the Combined Credit Agreement. Among other things, this amendment replaced any references to LIBOR with references to SOFR. Borrowings pursuant to the Combined Credit Agreement as amended, bear interest at a rate equal to, at the Company's option, (i) the greatest of (a) the prime rate of interest in effect on such day, (b) the federal funds effective rate plus 0.50% and (c) SOFR the Secured Overnight Financing Rate ("SOFR") plus 0.10%, plus 1% in each case, plus the applicable margin (calculated based on the Company's Total Leverage Ratio, as defined in the Combined Credit Agreement) at that time. Additionally, time or (ii) the Combined Credit Agreement was amended to remove certain pre-commencement notice provisions for certain acquisitions under \$50,000 in the aggregate, increased the amount permitted for certain investments allowed under the Combined Credit Agreement, and, subject to certain conditions, to allow for the repurchase of Stagwell Inc. stock in an amount not to exceed \$100,000 in any fiscal year. All other substantive terms of the Combined Credit Agreement remain unchanged.

Prior to April 28, 2022, borrowings under the Combined Credit Agreement bore interest at a rate equal to, at the Company's option, (i) the greatest of (a) the prime rate of interest announced from time to time by JPM, (b) the federal funds effective rate from time to time plus 0.50% and (c) the LIBOR SOFR rate plus 1%, in each case, 0.10% plus the applicable margin (calculated based on the Company's total leverage ratio) at that time or (ii) the LIBOR rate plus the applicable margin (calculated based on the Company's borrowers' total leverage ratio) at that time.

The Company transfers certain of its trade receivable assets to third parties under sales agreements. On December 14, 2022, the Company amended its Combined Credit Agreement to allow for the sale of accounts receivable with JPM. Refer to Note 2 of the Notes included herein for further detail of this agreement. All other substantive terms of the Combined Credit Agreement remained unchanged.

Advances under the Combined Credit Agreement may be prepaid in whole or in part from time to time without penalty or premium. The Combined Credit Agreement commitment may be reduced by the Company from time to time. Principal amounts outstanding under the Combined Credit Agreement are due and payable in full at maturity within five years of the date of the Combined Credit Agreement.

If an event of default occurs under the Combined Credit Agreement or any future secured indebtedness, the holders of such secured indebtedness will have a prior right to our assets securing such indebtedness, to the exclusion of the holders of the on August 3, 2026.

5.625% Notes (as defined below), even if we are in default with respect to the 5.625% Notes. In that event, our assets securing such indebtedness would first be used to repay in full all indebtedness and other obligations secured by them (including all amounts outstanding under the Combined Credit Agreement), resulting in all or a portion of our assets being unavailable to satisfy the claims of the holders of the 5.625% Notes and other unsecured indebtedness.

The Combined Credit Agreement contains a number of financial and nonfinancial covenants and is guaranteed by substantially all of our present and future subsidiaries, subject to customary exceptions.

The Company was in compliance with all covenants at December 31, 2022 as of December 31, 2023.

A portion of the Combined Credit Agreement in an amount not to exceed \$50,000 \$50.0 million is available for the issuance of standby letters of credit. At As of December 31, 2023 and December 31, 2022 and December 31, 2021, the Company had issued undrawn outstanding letters of credit of \$25,305 \$16.2 million and \$24,332 \$25.3 million, respectively.

Senior Notes

In August 2021, the The Company issued \$1,100,000 had \$1.1 billion aggregate principal amount of 5.625% senior notes ("5.625% Notes") outstanding as of December 31, 2023. A portion of the proceeds from the issuance of the 5.625% Notes was used to redeem \$870,300 aggregate principal amount of the outstanding 7.50% Senior Notes due 2024 (the "Existing Notes") for a price of \$904,200. This price is equal to 101.625% of the outstanding principal amount of the Existing Notes being redeemed, plus, accrued, and unpaid interest on the principal amount of such Existing Notes. The Company did not recognize a gain or loss on redemption.

The 5.625% Notes are due August 15, 2029 and bear interest of 5.625% to be paid on February 15 and August 15 of each year, commencing on February 15, 2022, year.

The 5.625% Notes are guaranteed on a senior unsecured basis by substantially all of the Company's subsidiaries. The 5.625% Notes rank (i) equally in right of payment with all of the Company's or any guarantor's existing and future unsubordinated indebtedness, (ii) senior in right of payment to the Company's or any guarantor's existing and future subordinated indebtedness, (iii) effectively subordinated to any of the Company's or any guarantor's existing and future secured indebtedness to the extent of the collateral securing such indebtedness, including the Combined Credit Agreement, and (iv) structurally subordinated to all existing and future liabilities of the Company's subsidiaries that are not guarantors.

Our obligations under the 5.625% Notes are unsecured and are effectively junior to our secured indebtedness to the extent of the value of the collateral securing such secured indebtedness. Borrowings under the Combined Credit Agreement are secured by substantially all of the assets of the Company, and any existing and future subsidiary guarantors, including all of the capital stock of each restricted subsidiary.

The Company may, at its option, redeem the 5.625% Notes in whole at any time or in part from time to time, on and after August 15, 2024 at a redemption price of 102.813% of the principal amount thereof if redeemed during the twelve-month period beginning on August 15, 2024, at a redemption price of 101.406% of the principal amount thereof if redeemed during the twelve-month period beginning on August 15, 2025 and at a redemption price of 100% of the principal amount thereof if redeemed on August 15, 2026 and thereafter. Prior to August 15, 2024, the Company may, at its option, redeem some or all of the 5.625% Notes at a price equal to 100% of the principal amount of the 5.625% Notes plus a "make whole" premium and accrued and unpaid interest. The Company may also redeem, at its option, prior to August 15, 2024, up to 40% of the 5.625% Notes with the net proceeds from one or more equity offerings at a redemption price of 105.625% of the principal amount thereof.

If the Company experiences certain kinds of changes of control (as defined in the indenture), holders of the 5.625% Notes may require the Company to repurchase any 5.625% Notes held by them at a price equal to 101% of the principal amount of the 5.625% Notes plus accrued and unpaid interest. In addition, if the Company sells assets under certain circumstances, it must may be required to use the net sale proceeds (as defined in the indenture) to offer to repurchase the 5.625% Notes at a price equal to 100% of the principal amount of the 5.625% Notes plus accrued and unpaid interest, interest, up to the net sale proceeds amount.

The indenture includes covenants that, among other things, restrict the Company's ability and the ability of its restricted subsidiaries (as defined in the indenture) to incur or guarantee additional indebtedness; pay dividends on or redeem or repurchase the capital stock of the Company; make certain types of investments; create restrictions on the payment of dividends or other amounts from the Company's restricted subsidiaries; sell assets; enter into transactions with affiliates; create liens; enter into sale and leaseback transactions; and consolidate or merge with or into, or sell substantially all of the Company's assets to, another person. These covenants are subject to a number of important limitations and exceptions. The 5.625% Notes are also subject to customary events of default, including cross-payment default and cross-acceleration provisions. The Company was in compliance with all covenants at December 31, 2022 as of December 31, 2023.

12. Employee Benefit Plan

A subsidiary of the Company, sponsors a defined benefit plan with benefits based on each employee's years of service and compensation. The benefits under the defined benefit pension plan are frozen.

Net Periodic Pension Cost and Pension Benefit Obligation

Net periodic pension benefit consists of the following components for the years ended December 31: 31,.

	Pension Benefits
	Pension Benefits
	Pension Benefits
2023	
2023	

2023			
Pension Benefits			
Interest cost on benefit obligation			
		2022	2021
Interest cost on benefit obligation			
Interest cost on benefit obligation	Interest cost on benefit obligation	\$ 1,104	\$ 441
Expected return on plan assets	Expected return on plan assets	(1,659)	(697)
Expected return on plan assets			
Expected return on plan assets			
Amortization of actuarial (gain)			
Net periodic benefit income		\$ (555)	\$ (256)
Settlement gain		(198)	—
Amortization of actuarial (gain)			
Amortization of actuarial (gain)			
Net periodic benefit (income) loss			
Net periodic benefit (income) loss			
Net periodic benefit (income) loss			
Settlement (gain)			
Settlement (gain)			
Settlement (gain)			
Total periodic benefit income	Total periodic benefit income	\$ (753)	\$ (256)
Total periodic benefit income			
Total periodic benefit income			

The above components are included within **Other, net** on the Consolidated Statements of Operations.

The following weighted average assumptions discount rate and expected return on plan assets that were used to determine net periodic costs at December 31:

Pension Benefits			
		2022	2021
Discount rate		2.82 %	2.62 %
Expected return on plan assets		6.50 %	6.50 %
Rate of compensation increase		N/A	N/A

were 5.47% and 6.50%, respectively, as of December 31, 2023, 2.82% and 6.50%, respectively, as of December 31, 2022, and 2.62% and 6.50%, respectively, as of December 31, 2021.

The expected return on plan assets is a long-term assumption established by considering historical and anticipated returns of the asset classes invested in by the pension plan and the allocation strategy currently in place among those classes.

Other changes in plan assets and benefit obligation recognized in Other comprehensive income (loss) consist of the following components for the years ended December 31:

Pension Benefits			
		2022	2021
Current year actuarial gain		\$ (4,088)	\$ (722)
Total recognized in other comprehensive (income)		(4,088)	(722)
Total recognized in net periodic benefit income and other comprehensive loss		\$ (4,841)	\$ (978)

	Pension Benefits		
	2023	2022	2021
Current year actuarial (gain)	\$ (405)	\$ (4,088)	\$ (722)
Amortization of actuarial gain	67	—	—
Total recognized in other comprehensive (income)	(338)	(4,088)	(722)
Total recognized in net periodic benefit (income) and other comprehensive (income)	\$ (638)	\$ (4,841)	\$ (978)

The following table summarizes the change in benefit obligation and fair values of plan assets for the years ended December 31, 2023.

		Pension Benefits	
		Pension Benefits	
		Pension Benefits	
		2023	
		2023	
		2023	
Change in benefit obligation:			
Change in benefit obligation:			
Change in benefit obligation:			
Benefit obligation, beginning balance			
Benefit obligation, beginning balance			
Benefit obligation, beginning balance			
		Pension Benefits	
Interest cost			
		2022	2021
Change in benefit obligation:			
Benefit obligation, beginning balance ⁽¹⁾	\$	40,005	\$ 41,206
Interest cost			
Interest cost	Interest cost	1,104	441
Actuarial gains		(10,930)	(1,091)
Actuarial (gain) loss			
Actuarial (gain) loss			
Actuarial (gain) loss			
Benefits paid			
Benefits paid			
Benefits paid	Benefits paid	(2,135)	(551)
Benefit obligation, ending balance	Benefit obligation, ending balance	28,044	40,005
Benefit obligation, ending balance			
Benefit obligation, ending balance			
Change in plan assets: Change in plan assets:			
Fair value of plan assets, beginning balance ⁽¹⁾		26,355	26,578
Actual loss on plan assets		(4,985)	328
Change in plan assets:			
Change in plan assets:			
Fair value of plan assets, beginning balance			
Fair value of plan assets, beginning balance			
Fair value of plan assets, beginning balance			
Actual gain (loss) on plan assets			
Actual gain (loss) on plan assets			
Actual gain (loss) on plan assets			
Employer contributions			
Employer contributions			
Employer contributions			
Benefits paid			
Benefits paid			
Benefits paid	Benefits paid	(2,135)	(551)
Fair value of plan assets, ending balance	Fair value of plan assets, ending balance	19,235	26,355
Funded status	\$	8,809	\$ 13,650

Fair value of plan assets, ending balance
Fair value of plan assets, ending balance
Unfunded status
Unfunded status
Unfunded status

(1) Benefit obligation assumed in connection with the acquisition of MDC. Beginning balance is as of July 31, 2021.
Amounts recognized in the Consolidated Balance Sheets at December 31, consist of the following:

		Pension Benefits	
		2022	2021
		Pension Benefits	
		Pension Benefits	
		Pension Benefits	
		2023	
		2023	
		2023	
Non-current liability			
Non-current liability			
Non-current liability	Non-current liability	\$ 8,809	\$ 13,650
Net amount recognized	Net amount recognized	\$ 8,809	\$ 13,650
Net amount recognized			
Net amount recognized			

Amounts recognized in Accumulated other comprehensive loss before income taxes consists of the following components for the years ended December 31: 31,.

		Pension Benefits	
		2022	2021
		Pension Benefits	
		Pension Benefits	
		Pension Benefits	
		2023	
		2023	
		2023	
Accumulated net actuarial gains			
Accumulated net actuarial gains			
Accumulated net actuarial gains	Accumulated net actuarial gains	\$ 4,810	\$ 722
Amount recognized	Amount recognized	\$ 4,810	\$ 722
Amount recognized			
Amount recognized			

In 2023, As of December 31, 2023 and 2022, the Company estimates that it will recognize \$66 in amortization of net actuarial gains from Accumulated other comprehensive loss, net into net periodic cost related to the pension plan.
The following weighted average assumptions were discount rates used to determine benefit obligations as of December 31:

		Pension Benefits	
		2022	2021
Discount rate		5.47 %	2.82 %
Rate of compensation increase		N/A	N/A

were 5.34% and 5.47%, respectively.

Fair Value of Plan Assets and Investment Strategy

	2022	Level 1	Level 2	Level 3
Asset Category:				
Receivables	\$ 15	\$ 15	\$ —	\$ —
Money market fund – Short-term investments	804	804	—	—
Mutual funds	18,416	18,416	—	—
Total	\$ 19,235	\$ 19,235	\$ —	\$ —

Asset Category:	2021	Level 1	Level 2	Level 3
Money market fund – Short-term investments	\$ 937	\$ 937	\$ —	\$ —
Mutual funds	25,418	25,418	—	—
Total	\$ 26,355	\$ 26,355	\$ —	\$ —

See Note 18 of the Notes included herein for additional information regarding the fair value hierarchy.

		Target Allocation		Actual Allocation							
		2022		2022		2021					
		Target Allocation						Target Allocation		Actual Allocation	
		2023						2023		2022	
Asset Category:	Asset Category:										
Equity securities											
Equity securities											
Equity securities	Equity securities	65.0 %	67.4 %	69.1 %		65.0 %		69.6 %		67.4 %	
Debt securities	Debt securities	30.0 %	28.4 %	27.3 %	Debt securities	30.0 %		26.6 %		28.4 %	
Cash/cash equivalents and Short-term investments	Cash/cash equivalents and Short-term investments										
		5.0 %	4.2 %	3.6 %	Cash/cash equivalents and Short-term investments	5.0 %		3.8 %		4.2 %	
Total	Total	100.0 %	100.0 %	100.0 %	Total	100.0 %		100.0 %		100.0 %	

Equity securities primarily include investments in large-cap and mid-cap companies located in the United States. States with readily available prices and mid to large-cap companies that are traded in foreign markets. Debt securities are diversified across different asset types with bonds issued in the United States as well as outside the United States. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the preceding tables.

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The pension plan contributions are deposited into a trust, and the pension plan benefit payments are made from trust assets. During 2022 and 2021, the Company did not make any made contributions to the pension plan, plan totaling \$4.1 million during 2023 and did not make contributions in 2022 or 2021. The Company estimates that it will make approximately \$787 \$1.1 million in contributions to the pension plan in 2023, 2024. Fluctuations in

actual market returns as well as changes in general interest rates will result in changes in the market value of plan assets and may result in increased or decreased retirement benefit costs and contributions in future periods.

The following estimated benefit payments, which reflect expected future service, as appropriate, are expected to be paid in the years ending December 31:

Period	Amount
2023	\$ 1,794
2024	2,014
2025	1,932
2026	1,958
2027	1,903
Thereafter	10,022

amount of \$1.9 million in 2024, \$1.8 million in 2025, \$1.8 million in 2026, \$1.8 million in 2027, \$1.8 million in 2028, and \$9.5 million thereafter.

13. Noncontrolling and Redeemable Noncontrolling Interests

Noncontrolling Interests

When acquiring less than 100% ownership of an entity, the Company may enter into agreements that give the Company an option to purchase, or require the Company to purchase, the incremental ownership interests under certain circumstances. Where the option to purchase the incremental ownership is within the Company's control, the amounts are recorded as Noncontrolling interests within Shareholder's Shareholders' Equity in the Consolidated Balance Sheets. Where the incremental purchase may be required of the Company, the amounts are recorded as Redeemable noncontrolling interests in mezzanine equity in the Consolidated Balance Sheets at their estimated acquisition date redemption value and adjusted at each reporting period for changes to their estimated redemption value through Retained earnings (but not less than their initial redemption value), except for foreign currency translation adjustments.

Changes in the Company's ownership interests in its less than 100% owned subsidiaries during the years ended December 31, 2022, 2021, and 2020 were as follows:

	Year Ended December 31,		
	2022	2021	2020
Net income attributable to Stagwell Inc. common shareholders	\$ 27,269	\$ 21,036	\$ 56,356
Transfers from the noncontrolling interest:			
Change in Stagwell Inc. Paid-in capital for purchase of redeemable noncontrolling interests and noncontrolling interests	(1,000)	(26,538)	—
Change in Stagwell Inc. Paid-in-Capital for conversion of Class C to Class A shares	47,911	—	—
Net transfers from noncontrolling interests	46,911	(26,538)	—
Change from net income (loss) attributable to Stagwell Inc. and transfers to noncontrolling interests	\$ 74,180	\$ (5,502)	\$ 56,356

The following table presents net Net income attributable to noncontrolling and redeemable noncontrolling interests between holders of Class C Common Stock and other equity interest holders for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020: 2021:

	Year Ended December 31,		
	2022	2021	2020
Net income attributable to Class C shareholders	\$ 24,452	\$ 6,126	\$ —
Net income attributable to other equity interest holders	5,986	9,170	18,231
Net income attributable to noncontrolling interests	\$ 30,438	\$ 15,296	\$ 18,231

	Year Ended December 31,		
	2023	2022	2021
(dollars in thousands)			
Net income attributable to Class C shareholders	\$ 39,066	\$ 16,004	\$ 6,126

Net income attributable to other equity interest holders	3,076	5,986	9,170
Net income attributable to noncontrolling interests	\$ 42,142	\$ 21,990	\$ 15,296
Net income (loss) attributable to redeemable noncontrolling interests	(634)	8,135	(412)
Net income attributable to noncontrolling and redeemable noncontrolling interests	\$ 41,508	\$ 30,125	\$ 14,884

The following table presents noncontrolling interests between holders of Class C Common Stock and other equity interest holders as of **December 31, 2022** December 31, 2023 and **December 31, 2021** December 31, 2022:

	December 31, 2022	December 31, 2021	
	December 31, 2023	December 31, 2023	December 31, 2022
	(dollars in thousands)		(dollars in thousands)
Noncontrolling interest of Class C shareholders	Noncontrolling interest of Class C shareholders	\$ 428,406	\$ 475,373
Noncontrolling interest of other equity interest holders	Noncontrolling interest of other equity interest holders	33,691	32,914
NCI attributable to noncontrolling interests		\$ 462,097	\$ 508,287
Total noncontrolling interests			

The table above has been revised to reclassify approximately \$45,422 from previously reported non-controlling interests to additional paid-in capital that should have been recognized as a result of the exchange of Paired Units for shares of the Company's Class A common stock in February 2022.

Redeemable Noncontrolling Interests

The following table presents changes in redeemable noncontrolling interests:

	December 31, 2022	December 31, 2021	
	December 31, 2023	December 31, 2023	December 31, 2022
	(dollars in thousands)		(dollars in thousands)
Beginning balance	Beginning balance	\$ 43,364	\$ 604
Redemptions (1)	Redemptions (1)	(4,222)	(15,231)
Acquisitions (1)		—	53,270
Distributions			
Changes in redemption value	Changes in redemption value	(8,711)	3,834
Net income (loss) attributable to redeemable noncontrolling interests	Net income (loss) attributable to redeemable noncontrolling interests	8,135	(412)

Net income (loss) attributable to redeemable noncontrolling interests			
Net income (loss) attributable to redeemable noncontrolling interests			
Other	Other	545	1,299
Ending balance	Ending balance	\$ 39,111	\$ 43,364

(1) In 2021, approximately \$26,000 represents Redemptions for the year ended December 31, 2023, is associated with redeemable noncontrolling interests acquired in connection with the acquisition of MDC. Approximately \$27,000 represents redeemable noncontrolling interests acquired in connection with the purchase of the noncontrolling interest of Targeted Victory. See a certain brand we did not previously own. The amount was reclassified as a deferred acquisition contingent obligation (see Note 4 of the Notes included herein for additional information related to the purchase of Targeted Victory. 9).

The noncontrolling shareholders' ability to exercise any such option right is subject to the satisfaction of certain conditions, including conditions requiring notice in advance of exercise and specific employment termination conditions. In addition, these rights cannot be exercised prior to specified staggered exercise dates. The exercise of these rights at their earliest contractual date would result in obligations of the Company to fund the related amounts during 2022 2024 to 2027, 2028. It is not determinable, at this time, if or when the owners of these rights will exercise all or a portion of these rights.

The redeemable noncontrolling interest of \$39,111 \$10.8 million as of December 31, 2022 December 31, 2023, consists of \$35,206, \$7.3 million, assuming that the subsidiaries perform over the relevant periods at their current profit levels, meet certain performance metrics, and \$3,905 \$3.5 million upon termination of such owner's employment with the applicable subsidiary or death.

These adjustments will not impact the calculation of earnings (loss) per share if the redemption values are less than the estimated fair values. There As such, there is no related impact on the Company's income earnings per share calculations. calculations for the year ended December 31, 2023 and 2022.

Comprehensive Loss Attributable to Noncontrolling and Redeemable Noncontrolling Interests

For the year ended December 31, 2023, comprehensive income attributable to the noncontrolling and redeemable noncontrolling interests was \$47.4 million, which consists of \$41.5 million of net income and \$5.9 million of other comprehensive income.

For the year ended December 31, 2022, comprehensive income attributable to the noncontrolling and redeemable noncontrolling interests was \$6.6 million, which consists of \$30.1 million of net income and \$23.5 million of other comprehensive loss.

14. Commitments, Contingencies, and Guarantees

Legal Proceedings. The Company's operating entities are involved in legal proceedings and regulatory inquiries of various types. While any litigation or investigation contains an element of uncertainty, the Company has no reason to believe that the outcome of such proceedings or claims will have a material adverse effect on the financial condition or results of operations of the Company.

Guarantees. Generally, the Company has indemnified the purchasers of certain assets in the event that a third party asserts a claim against the purchaser that relates to a liability retained by the Company. These types of indemnification guarantees typically extend for a number of years. Historically, the Company has not made any significant indemnification payments under such agreements and no amount has been accrued in the accompanying audited consolidated financial statements Audited Consolidated Financial Statements with respect to these indemnification guarantees. The Company continues to monitor the conditions that are subject to guarantees and indemnifications to identify whether it is probable that a loss has occurred and would recognize any such losses under any guarantees or indemnifications in the period when those losses are probable and estimable.

Commitments. At December 31, 2022 December 31, 2023, the Company had \$25,305 \$16.2 million of undrawn letters of credit outstanding.

The Company entered into two three operating leases for which the commencement date has not yet occurred as of December 31, 2022 December 31, 2023. See Note 10 of the Notes included herein for additional information.

In the ordinary course of business, the Company may enter into long-term, non-cancellable contracts with partner associations that include revenue or profit-sharing commitments related to the provision of its services. These contracts may also include provisions that require the partner associations to meet certain performance targets prior to any obligation to the Company. As of December 31, 2022 December 31, 2023, the Company estimates its future minimum commitments under these non-cancellable agreements to be: \$5,893, \$1,804, \$1,304, \$1,066, \$7.3 million, \$7.0 million, \$4.2 million, \$3.0 million, \$3.1 million and \$44 \$3.8 million for 2023, 2024, 2025, 2026, 2027, 2028, and thereafter, respectively.

The Company has also entered into a certain long-term, non-cancellable contract with a certain vendor for cloud services that requires the Company to commit to minimum spending over the contract term. As of December 31, 2023, the Company estimates its future minimum commitments under this agreement to be: \$5.7 million, \$6.9 million, \$8.7 million, \$10.4 million, \$12.7 million and \$15.3 million for 2024, 2025, 2026, 2027, 2028, and thereafter, respectively.

15. Share Capital

On March 23, 2022, the board of directors authorized the Repurchase Program under which we may repurchase up to \$125,000 of shares of our outstanding Class A Common Stock.

Under the Repurchase Program, share repurchases may be made at our discretion from time to time in open market transactions at prevailing market prices (including through trading plans that may be adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, in privately negotiated transactions, or through other means. The timing and number of shares repurchased under the Repurchase Program will depend on a variety of factors, including the performance of our stock price, general market and economic conditions, regulatory requirements, the availability of funds, and other considerations we deem relevant. The Repurchase Program may be suspended, modified or discontinued at any time without prior notice. Our board of directors will review the Repurchase Program periodically and may authorize adjustments of its terms.

As of December 31, 2022, there were 7,194 shares of Class A Common Stock repurchased under the Repurchase Program at an aggregate value, excluding fees, of \$51,547. These were purchased at an average share price of \$7.17 per share. The remaining value of shares of Class A Common Stock permitted to be repurchased under the Repurchase Program was \$73,309 as of December 31, 2022.

On March 1, 2023, the Board authorized an extension and a \$125,000 increase in the size of the Repurchase Program to an aggregate of \$250,000, with any previous purchases under the Repurchase Program continuing to count against that limit. The Repurchase Program, as amended, will expire on March 1, 2026.

The authorized and outstanding share capital of the Company is below.

Class A Common Stock

There are 1,000,000 1.0 billion shares of Class A Common Stock authorized, of which 131,720 118.5 million shares were issued and outstanding as of December 31, 2022 December 31, 2023. Each share of Class A Common Stock carries one vote and entitles its holder to dividends equal to or greater than each share of Class B Common Stock.

Class B Common Stock

There are 5 shares of Class B Common Stock authorized, of which 4 shares were issued and outstanding as of December 31, 2022. Each share of Class B Common Stock carries twenty votes and is convertible at any time at represents an economic interest in the option of the holder into one share of Class A Common Stock, Company.

Class C Common Stock

There are 250,000 250.0 million shares of Class C Common Stock authorized, of which 160,909 151.6 million shares were issued and outstanding as of December 31, 2022 December 31, 2023. Each share of Class C Common Stock carries one vote and does not represent an economic interest in the Company. Each share of Class C Common Stock is paired with a corresponding common unit of OpCo (each such paired share of Class C Common Stock and common unit of OpCo, a "Paired Unit"). Each holder of Paired Units may, at its option, exchange such Paired Units for shares of Class A Common Stock on a one-to-one basis (i.e., one Paired Unit for one share of Class A Common Stock).

In 2021, an aggregate of 179,970 Paired Units were issued to Stagwell Media in exchange for the equity interests of the Stagwell Subject Entities. In the year ended December 31, 2022 December 31, 2023, holders of the Paired Units exchanged 19,061 9.3 million Paired Units for the same number of shares of Class A Common Stock. Of these 19,061 Paired Units, approximately 5,000 triggered an employee tax withholding obligation of \$14,900.

Class A Common Stock Repurchases

The Company repurchased approximately 2,000 of the 5,000 may purchase shares of Class A Common Stock issued under its stock repurchase program (the "Repurchase Program") as well as repurchases outside of the Repurchase Program.

On March 1, 2023, the Company's board of directors (the "Board") authorized an extension and a \$125.0 million increase in the size of the Repurchase Program to an aggregate of \$250.0 million, with any previous purchases under the Repurchase Program continuing to count against that limit. The Repurchase Program, as amended, will expire on March 1, 2026.

Under the Repurchase Program, share repurchases may be made at our discretion from time to time in open market transactions at prevailing market prices, including through trading plans that may be adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, in privately negotiated transactions, or through other means. The timing and number of shares repurchased under the Repurchase Program will depend on a variety of factors, including the performance of our stock price, general market and economic conditions, regulatory requirements, the availability of funds, and other considerations we deem relevant. The Repurchase Program may be suspended, modified or discontinued at any time without prior notice. Our Board will review the Repurchase Program periodically and may authorize adjustments of its terms.

During the year ended December 31, 2023, 9.9 million shares of Class A Common Stock were repurchased pursuant to the Repurchase Program at an aggregate value, excluding fees, of \$59.5 million. These shares were repurchased at an average price of \$6.00 per share. The remaining value of shares of Class A Common Stock permitted to be repurchased under the Repurchase Program was \$138.6 million as of December 31, 2023.

In addition to the repurchases under the Repurchase Program, on May 23, 2023, the Company repurchased 23.3 million shares of Class A Common Stock from certain affiliates of Alpinvest Partners B.V. at a price of \$6.43 per share, for an aggregate total repurchase price of \$150.0 million.

Employee Stock Purchase Plan

The Company's 2023 Employee Stock Purchase Plan (the "ESPP") was approved by stockholders and adopted by the Board in 2023. A total of 3.0 million shares of Class A Common Stock was reserved for sale under the ESPP to eligible employees as defined in the plan. Under the ESPP, eligible employees can elect to satisfy its employee tax withholding obligation.

Shares-based Awards

As withhold up to 15% of December 31, 2022 and 2021, their earnings, subject to certain maximums, to purchase shares of Class A Common Stock on certain plan-defined dates. The purchase price for each offering period is 92.5% of the fair market value of shares of Class A Common Stock at the end of the offering period. The plan is considered compensatory resulting in the fair value of the discount being expensed over the service period.

The total number of shares authorized 12,858 that remained available to be issued was 2.9 million as of December 31, 2023. During the year ended December 31, 2023, there were no material expenses incurred by the Company related to the ESPP and 2,839, respectively, remain contributions to the ESPP were nominal.

Stock-based Awards

The Company's stock-based awards outstanding consist of restricted stock units, restricted stock and stock appreciation rights ("SAR awards"). The total number of shares authorized that remained available to be issued for future awards, awards was 6.5 million as of December 31, 2023 and 12.9 million as of December 31, 2022.

For the years ended December 31, 2023, 2022, and 2021, the Company recognized total stock-based compensation expense related to all stock compensation awards of \$51.2 million, \$36.7 million, and \$75.0 million, respectively. The related income tax benefit for the years ended December 31, 2023, 2022, and 2021 was \$13.0 million, \$4.1 million, and \$5.3 million, respectively.

The following tables summarize share-based stock-based activity of awards authorized under our employee stock incentive plans and awards (such as inducement awards) and other share-based commitments that have met the requirements to be issued separate from shareholder-approved stock incentive plans.

The following table summarizes information about performance-based time-based and time-based performance-based restricted stock and restricted stock unit awards:

		Time-Based Awards		Time-Based Awards	
		Time-Based Awards		Time-Based Awards	
		Time-Based Awards		Time-Based Awards	
		Shares		Shares	
		Shares		Shares	
		Shares		Shares	
		Performance-Based Awards		Time-Based Awards	
		Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Balance at December 31, 2020		—	\$ —	—	\$ —
Shares acquired concurrent with acquisition		—	—	3,326	5.42
Balance at December 31, 2022					
Balance at December 31, 2022					
Balance at December 31, 2022					
Granted					
Granted					
Granted	Granted	1,048	8.68	12,659	5.51
Vested	Vested	—	—	(282)	5.42
Forfeited		—	—	(4)	5.42
Balance at December 31, 2021		1,048	\$ 8.68	15,699	\$ 5.49
Granted		1,372	7.03	5,075	7.38
Vested					
Vested	Vested	—	—	(14,182)	5.45
Forfeited	Forfeited	(34)	7.79	(323)	6.20
Balance at December 31, 2022		2,386	\$ 7.74	6,269	\$ 7.07
Forfeited					
Forfeited					
Balance at December 31, 2023					
Balance at December 31, 2023					
Balance at December 31, 2023					

The weighted average grant date fair value of time-based awards granted in 2022 and 2021 was \$7.38 and \$5.51, respectively. The weighted average grant date fair value of performance-based awards granted in 2022 and 2021 was \$8.68 and \$7.03, respectively.

The vesting of the performance-based awards is contingent primarily upon the Company meeting certain cumulative revenue and earnings targets, primarily ranging over two to three years, and continued employment through the vesting date. The term of the time-based awards is generally three years with vesting generally one to three years. The vesting period of the time-based and performance-based awards is generally commensurate with the requisite service period.

The total fair value of restricted stock and restricted stock unit awards, which vested during the years ended December 31, 2022 December 31, 2023, 2022, and 2021, was \$77,332 \$38.4 million, \$77.3 million, and \$1,527, \$1.5 million respectively. At December 31, 2022 December 31, 2023, the weighted average remaining contractual life for time-based and performance-based awards was 0.65 0.67 and 1.86 years, respectively. At December 2021, the weighted average remaining contractual life for time-based and performance-based awards was 0.37 and 2.37 1.33 years, respectively.

At December 31, 2022 and 2021, December 31, 2023, the unrecognized compensation expense for time-based awards was \$16,449 and \$15,376, respectively, \$21.3 million and will be recognized over a weighted average period of 0.65 years and 0.37 years, respectively, 0.67 years.

At December 31, 2022 and 2021, December 31, 2023, the unrecognized compensation expense for performance-based awards was \$12,781 and \$8,221, respectively, \$12.3 million and will be recognized over a weighted average period of 1.86 and 2.37 years, respectively, 1.33 years.

The following table summarizes information about stock appreciation rights ("SAR") SAR awards:

SAR Awards			SAR Awards		
Shares			Shares	Weighted Average Grant Date Fair Value	Weighted Average Exercise Price
		SAR Awards			
		Weighted			
		Average			
		Grant			
		Date Fair			
		Exercise			
		Shares	Value	Price	
Balance at					
December 31, 2020	—	\$	—	\$	—
Shares acquired					
concurrent with					
acquisition	3,379		2.94		2.95
Granted	1,598		2.39		8.13
Forfeited	(84)		1.35		6.60
Balance at					
December 31, 2021	4,893	\$	2.79	\$	4.58
Balance at					
December 31, 2022					
Balance at					
December 31, 2022					
Balance at					
December 31, 2022					
Granted	Granted	—	—	—	—
Forfeited	Forfeited	—	—	—	—
Exercised	Exercised	(48)	3.66		6.00
Balance at					
December 31, 2022	4,845	\$	2.78	\$	4.57
Balance					
at					
December					
31, 2023					

The weighted average grant date fair value of SAR awards granted in 2021 was \$2.39. There were no SAR awards granted in 2022.

We use the Black-Scholes option-pricing model to estimate the fair value of SAR awards.

The grant date fair value of the SARs SAR awards granted in 2021 ranged from \$2.20 to \$3.66. SARs granted in 2021 vest in 1 to 3 years. The vesting period of these awards is generally commensurate with the requisite service period. \$3.66 per share. The assumptions used to value these the SAR awards granted in 2021 were as follows: expected life ranging from 2.8 to 4 years, risk free interest rate of approximately 1.0%, expected volatility ranging from of 35.5% to 38.1%, and dividend yield of 0.0% 0%.

The grant date fair value of the SAR awards granted in 2023 ranged from \$2.10 to \$2.35 per share. The assumptions used to value the SARs granted in 2023 were as follows: expected life ranging from 3 to 4 years, risk free interest rate of approximately 4.6%, expected volatility ranging from 34.6% to 36.7%, and dividend yield of 0%. These SAR awards vest in 1 to 3 years. The vesting period of these awards is generally commensurate with the requisite service period. The term of these awards is 5 years.

Certain of the Company's SAR awards are settled in cash. These awards are liability classified and remeasured at each reporting period. As of December 31, 2022 December 31, 2023, the assumptions for the Black-Scholes model for these awards were as follows: expected life ranging from 2 0 to 3 years, risk free interest rate of approximately 4% 5%, expected volatility ranging from of 37.0% 26.7% to 41.4% 42.1%, and dividend yield of 0.0%. The remaining term of these awards as of December 31, 2022 December 31, 2023, is ranges from approximately 0.2 years to 4 years.

During the year ended December 31, 2023, certain SAR awards were modified from equity to cash settled. The SAR awards were fair valued on the date of modification, reclassified from equity to liability and resulted in incremental stock-based compensation expense of \$4.4 million.

For the year ended December 31, 2023, 0.5 million SAR awards vested. As of December 31, 2023, 2.4 million SAR awards vested and were exercisable.

The total intrinsic value of SAR awards exercised during the years ended December 31, 2022 December 31, 2023 and 2021, the number of 2022 was \$8.1 million and \$0.1 million, respectively. There were no SAR awards that vested were 1,943 and 1,950, respectively, exercised during the year ended December 31, 2021. As of December 31, 2022 and 2021, 3,845 and 1,950 SAR awards had vested and were exercisable, respectively.

The December 31, 2023, the aggregate intrinsic value of the SAR awards outstanding as of December 31, 2022 was \$5.3 million and 2021 was \$11,063 and \$19,677 respectively. At December 31, 2022 and 2021, the weighted average remaining contractual life for these awards was 1.02 years. As of December 31, 2023, the aggregate intrinsic value of the SAR awards exercisable was 1.45 years \$5.3 million and 1.15 years, respectively, the weighted average remaining contractual life for these awards was 0 years. The weighted average exercise price of SAR awards exercisable as of December 31, 2023 was \$5.12.

For the years ended December 31, 2022 and 2021, the total recognized in stock-based compensation related to all stock compensation awards was \$36,663 and \$75,032, respectively. The related income tax benefit for the years ended December 31, 2022 and 2021 was \$4,106 and \$5,289, respectively.

Certain of the Company's subsidiaries grant awards to their employees providing them with an equity interest in the respective subsidiary (the "profits interests awards"). The profits interests awards generally provide the employee the right, but not the obligation, to sell its profits interest in the subsidiary to the Company based on a performance-based formula and, in certain cases, receive a profit share distribution. The profits interests awards are settled in cash and the corresponding liability was \$20,961 \$20.3 million and \$36,418 \$21.0 million at December 31, 2022 December 31, 2023 and 2021, 2022, respectively and is included as a component of Accruals and other liabilities and Other liabilities on the Consolidated Balance Sheets. The change in the profits interest liabilities for the years ended December 31, 2022 December 31, 2023 and 2021 2022 was an increase of \$3.9 million and a decrease of \$4,179 and an increase of \$536, \$4.2 million, respectively and was recorded as stock-based compensation in Office and general expenses Cost of Services within the Statements of Operations.

The changes in accumulated other comprehensive income (loss) for the years ended December 31, were:

		Foreign Currency	
	Defined Benefit Pension	Translation	Total
Balance December 31, 2020	\$ —	\$ —	\$ —
Other comprehensive loss before reclassifications	—	(6,000)	(6,000)
Amounts reclassified from accumulated other comprehensive income	722	—	722
Other comprehensive loss	722	(6,000)	(5,278)
Balance December 31, 2021	722	(6,000)	(5,278)
Other comprehensive loss before reclassifications	4,088	(37,751)	(33,663)
Other comprehensive loss	4,088	(37,751)	(33,663)
Balance December 31, 2022	\$ 4,810	\$ (43,751)	\$ (38,941)

	Defined Benefit	Foreign Currency	
	Pension	Translation	Total
Balance at December 31, 2021	\$ 722	\$ (6,000)	\$ (5,278)
Other comprehensive income (loss) before reclassifications	4,088	(14,288)	(10,200)
Other comprehensive income (loss)	4,088	(14,288)	(10,200)
Balance at December 31, 2022	4,810	(20,288)	(15,478)
Other comprehensive income before reclassifications	338	2,073	2,411
Other comprehensive income	338	2,073	2,411
Balance at December 31, 2023	\$ 5,148	\$ (18,215)	\$ (13,067)

The components of the Company's income before income taxes and equity in earnings of non-consolidated affiliates by taxing jurisdiction for the years ended December 31, were:

		2022	2021	2020		
	2023	2023			2022	2021
Income	Income					
(Loss):	(Loss):					
U.S.	U.S.	\$29,597	\$38,717	\$95,939		
	U.S.					
	U.S.					
Non-U.S.	Non-U.S.	43,904	20,841	(18,599)		
		\$73,501	\$59,558	\$77,340		
	\$					

The provision (benefit) for income taxes by taxing jurisdiction for the years ended December 31, were:

	2022	2021	2020

2023		2023		2022		2021	
Current tax provision	Current tax provision						
U.S. federal	U.S. federal						
U.S. federal	U.S. federal	\$ 3,913	\$ 7,259	\$ 5,812			
U.S. state and local	U.S. state and local	5,588	7,459	3,242			
Non-U.S.	Non-U.S.	16,398	12,498	2,346			
		25,899	27,216	11,400			
		21,114					
Deferred tax provision (benefit):	Deferred tax provision (benefit):						
U.S. federal	U.S. federal						
U.S. federal	U.S. federal	(8,049)	(143)	(1,951)			
U.S. state and local	U.S. state and local	(6,439)	(2,521)	389			
Non-U.S.	Non-U.S.	(3,831)	(1,154)	(3,901)			
		(18,319)	(3,818)	(5,463)			
		19,443					
Income tax expense	Income tax expense	\$ 7,580	\$ 23,398	\$ 5,937			

A reconciliation of income tax expense (benefit) using the U.S. federal income tax rate compared with actual income tax expense for the years ended December 31, is as follows:

2022		2021		2020		2023		2022		2021	
Income before income taxes, equity in non-consolidated affiliates and noncontrolling interest	Income before income taxes, equity in non-consolidated affiliates and noncontrolling interest	\$ 73,501	\$ 59,558	\$ 77,340							
Statutory income tax rate	Statutory income tax rate	21.0 %	21.0 %	21.0 %			21.0 %		21.0 %		21.0 %
Tax expense using U.S. statutory income tax rate	Tax expense using U.S. statutory income tax rate	\$ 15,435	\$ 12,507	\$ 16,241							

Operating lease liability	Operating lease liability	52,442	48,173	4,141
Interest deductions	Interest deductions	29,530	30,760	—
Accruals and other liabilities	Accruals and other liabilities	2,794	3,720	—
TRA and related step-up, net of amortization	TRA and related step-up, net of amortization	32,890	—	—
Other	Other	14,557	15,160	3,344
Gross deferred tax asset	Gross deferred tax asset	178,188	137,569	18,297
Less: valuation allowance	Less: valuation allowance	(12,223)	(5,825)	(5,551)
Net deferred tax assets	Net deferred tax assets	\$165,965	\$ 131,744	\$ 12,746
Deferred tax liabilities:	Deferred tax liabilities:			
Right-of-use lease asset - operating leases	Right-of-use lease asset - operating leases	40,012	37,001	3,577
Right-of-use lease asset - operating leases	Right-of-use lease asset - operating leases			
Property and equipment, net	Property and equipment, net	6,839	4,212	463
Goodwill and intangibles	Goodwill and intangibles	90,599	83,607	21,959
Residual basis differences	Residual basis differences	—	102,297	—
Other	Other	940	6,854	2,639
Total deferred tax liabilities	Total deferred tax liabilities	138,390	233,971	28,638
Net deferred tax asset (liability)	Net deferred tax asset (liability)	\$ 27,575	\$(102,227)	\$(15,892)
Deferred tax assets	Deferred tax assets	\$ 67,684	\$ 866	\$ 158
Deferred tax assets	Deferred tax assets			
Deferred tax liabilities	Deferred tax liabilities	(40,109)	(103,093)	(16,050)

	\$ 27,575	\$(102,227)	\$(15,892)
\$			

The preliminary deferred tax liability for the Company's residual basis difference in OpCo of ~~\$102,297~~ ~~\$102.3 million~~ reflected in the table above as of December 31, 2021 was adjusted to zero as of December 31, 2022 to reflect the finalization of the Company's book and tax basis in OpCo. This deferred tax liability had a balance of ~~\$119,470~~ ~~\$119.5 million~~ as of September 30, 2022 that should have been zero. In addition, a deferred tax liability of ~~\$16,700~~ ~~\$16.7 million~~, and the associated reduction to additional paid-in-capital was not recorded when the exchanges of Paired Units for Class A Common Stock occurred in February 2022. The correction has been reflected as of December 31, 2022.

Tax Receivables Agreement

In connection with the closing of the Transaction, we entered into the Tax Receivables Agreement ("TRA") with OpCo and Stagwell Media, pursuant to which we are required to make cash payments to Stagwell Media equal to 85% of certain U.S. federal, state and local income tax or franchise tax savings, if any, that we actually realize, or in certain circumstances are deemed to realize, as a result of (i) increases in the tax basis of OpCo's assets resulting from exchanges of Paired Units (defined in Note 11) for shares of Class A Common Stock or cash, as applicable, and (ii) certain other tax benefits related to us making payments under the TRA.

The Company accounts for amounts payable under the TRA in accordance with ASC 450-Contingencies. We will evaluate the likelihood that we will realize the benefit represented by the deferred tax asset and, to the extent that we estimate that it is more likely than not that we will not realize the benefit, we will reduce the carrying amount of the deferred tax asset with a valuation allowance and a corresponding reduction to the TRA liability. The amounts to be recorded for both the deferred tax assets and the liability under the TRA will be estimated at the time of any purchase or exchange as a reduction to shareholders' equity, and the effects of changes in any of our estimates after this date will be included in net income or loss. Similarly, the effect of subsequent changes in the enacted tax rates will be included in net income or loss.

In the first quarter of 2022, the Company had its first exchange of Paired Units for shares of Class A Common Stock and recorded its initial TRA liability. Further exchanges have been made in the subsequent ~~quarters~~ ~~quarters in 2022 and no further exchanges in 2023~~. As of ~~December 31, 2022~~ ~~December 31, 2023, and 2022~~, the

Company has recorded a TRA liability of ~~\$28,694~~ ~~\$26.9 million and~~

~~\$26.6 million, respectively~~, and a deferred tax asset, net of amortization of ~~\$32,890~~ ~~\$29.0 million and \$30.6 million, respectively~~, in connection with the exchanges of the Paired Units and the projected obligations under the TRA.

Stagwell Inc. itself has net operating loss carryforwards of ~~\$57,553~~ ~~\$58.1 million~~ relating to U.S. states which expire years ~~2024~~ ~~2026~~ through 2042. Stagwell Inc. also had indefinite net operating loss carryforwards which consist of \$44,048 relating to U.S. federal, and \$140,608 less than \$0.1 million relating to states. Stagwell Inc. also has foreign ~~and state tax credit credits~~ and general business carryovers of ~~\$7,104~~ ~~\$6.4 million~~ which expire between 2024 and 2031.

Stagwell Inc.'s consolidated corporate subsidiaries also have net operating loss carryforwards which expire in years ~~2022~~ ~~2031~~ through ~~2044~~ ~~2042~~. These definite lived net operating loss carryforwards consist of ~~\$18,730~~ ~~\$13.8 million~~ relating to U.S. federal, ~~\$21,403~~ ~~\$8.0 million~~ relating to states and ~~\$20,099~~ ~~\$32.9 million~~ relating to non-U.S. The corporate subsidiaries also have indefinite net operating loss carryforwards which consist of ~~\$10,555~~ ~~\$17.1 million~~ relating to U.S. federal, and ~~\$15,363~~ ~~\$48.6 million relating to states, and \$46.3 million~~ relating to non-U.S. The majority of the consolidated corporate subsidiaries' U.S. tax attributes are subject to an annual limitation as a result of historic acquisitions which constituted a change of ownership as defined under Internal Revenue Code 382.

The Company records a valuation allowance against deferred income tax assets when management believes it is more likely than not that some portion or all of the deferred income tax assets will not be realized. Management evaluates all positive and negative evidence and considers factors such as the reversal of taxable temporary differences, taxable income in eligible carryback years, future taxable income, and tax planning strategies. A change to these factors could impact the estimated valuation allowance and income tax expense.

The Company maintained a valuation allowance of ~~\$12,223~~ ~~\$26.3 million~~ as of ~~December 31, 2022~~ ~~December 31, 2023~~, relating to both U.S. and foreign deferred tax assets, and ~~\$5,825~~ ~~\$14.4 million~~ as of ~~December 31, 2021~~ ~~December 31, 2022~~ relating to U.S. and foreign deferred tax assets.

The Company is permanently reinvested with respect to its foreign earnings in certain jurisdictions, and no deferred taxes have been recorded related to such earnings as the determination of the amount is not practicable. The Company currently does not intend to distribute previously taxed income. Upon distribution in the future, the Company may incur state and foreign withholding taxes on such income, the amount of which is not practicable to compute.

As of ~~December 31, 2022~~ ~~December 31, 2023 and 2021~~ ~~2022~~, the Company recorded a liability for unrecognized tax benefits as well as applicable penalties and interest in the amount of ~~\$2,159~~ ~~\$1.8 million~~ and ~~\$1,120~~ ~~\$2.2 million~~, respectively. It is the Company's policy to classify interest and penalties arising in connection with unrecognized tax benefits as a component of income tax expense. As of ~~December 31, 2022~~ ~~December 31, 2023 and 2021~~ ~~2022~~, accrued penalties and interest included in unrecognized tax benefits were ~~approximately \$23~~ ~~\$1.8 million~~ and ~~\$82~~ ~~less than \$0.1 million~~, respectively. If these unrecognized tax benefits were to be recognized, it would affect the Company's effective tax rate.

	2022	2021
	2023	
	2023	
	2023	
A reconciliation of the change in unrecognized tax benefits is as follows:		
A reconciliation of the change in unrecognized tax benefits is as follows:		
A reconciliation of the change in unrecognized tax benefits is as follows:	A reconciliation of the change in unrecognized tax benefits is as follows:	
Unrecognized tax benefit - Beginning Balance	Unrecognized tax benefit - Beginning Balance	
	\$	\$
	1,038	—

Unrecognized tax benefit - Beginning Balance			
Unrecognized tax benefit - Beginning Balance			
Current year positions			
Current year positions			
Current year positions	Current year positions	—	—
Prior period positions	Prior period positions	1,850	1,038
Prior period positions			
Prior period positions			
Settlements			
Settlements			
Settlements	Settlements	(477)	—
Lapse of statute of limitations	Lapse of statute of limitations	(275)	—
Lapse of statute of limitations			
Lapse of statute of limitations			
Unrecognized tax benefits - Ending Balance	Unrecognized tax benefits - Ending Balance	\$ 2,136	\$ 1,038
Unrecognized tax benefits - Ending Balance			
Unrecognized tax benefits - Ending Balance			

It is reasonably possible that the amount of unrecognized tax benefits could decrease by a range of \$104\$— to \$286 less than \$0.1 million in the next twelve months as a result of expiration of certain statute of limitations.

The Company is subject to taxation and files income tax returns in the U.S. federal jurisdiction and in many state and foreign jurisdictions. The statute of limitations for tax years prior to 2019 2020 are closed for U.S. federal purposes. The statute of limitations for tax years prior to 2016 2017 have also expired in non-U.S. jurisdictions.

18. Fair Value Measurements

A fair value measurement assumes a transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. The hierarchy for observable and unobservable inputs used to measure fair value into three broad levels are described below:

- Level 1 - Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2 - Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.
- Level 3 - Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Financial Instruments that are not Measured at Fair Value on a Recurring Basis

The following table presents certain information for our financial liability that is not measured at fair value on a recurring basis at December 31: as of December 31, 2023 and December 31, 2022:

	December 31, 2022		December 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
5.625% Notes	\$ 1,100,000	\$ 902,000	\$ 1,100,000	\$ 1,120,900

	December 31, 2023		December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(dollars in thousands)				
5.625% Notes	\$ 1,100,000	\$ 1,010,658	\$ 1,100,000	\$ 902,000

The fair value of this instrument is based on quoted market prices in markets that are not active. Therefore, this debt is classified as Level 2 within the fair value hierarchy.

Financial Instruments Measured at Fair Value on a Recurring Basis

Contingent deferred acquisition consideration (Level 3 fair value measurement) is initially recorded at the acquisition date fair value and adjusted at each reporting period. The estimated liability is determined in accordance with models of each business' future performance, including revenue growth and free cash flows. These models are dependent upon

significant assumptions, such as the growth rate of the earnings of the relevant subsidiary during the contractual period and the discount rate. These growth rates are consistent with the Company's long-term forecasts. As of **December 31, 2022** **December 31, 2023**, the discount rate used to measure these liabilities **ranged from 5.2% to 5.4% was 5.1%**.

As these estimates require the use of assumptions about future performance, which are uncertain at the time of estimation, the fair value measurements presented on the Consolidated Balance Sheets are subject to material uncertainty.

See Note 9 of the Notes included herein for additional information regarding contingent deferred acquisition consideration.

At As of December 31, 2023 and December 31, 2022 and December 31, 2021, the carrying amount of the Company's financial instruments, including cash, cash equivalents, accounts receivable and accounts payable, approximated fair value because of their short-term maturity.

Non-financial Assets and Liabilities that are Measured at Fair Value on a Nonrecurring Basis

Certain non-financial assets are measured at fair value on a nonrecurring basis, primarily goodwill, intangible assets (Level 3 fair value measurements) and right-of-use lease assets (Level 2 fair value measurement). Accordingly, these assets are not measured and adjusted to fair value on an ongoing basis but are subject to periodic evaluations for potential impairment.

See Note 8 of the Notes included herein for additional information on goodwill and intangible assets and Note 10 of the Notes included herein for additional information regarding the impairment of on right-of-use lease assets and Note 8 of the Notes included herein for additional information regarding the impairment of goodwill and intangible assets.

19. Related Party Transactions

In the ordinary course of business, the Company enters into transactions with related parties, including its affiliates. The transactions may range in the nature and value of services underlying the arrangements. The following table presents significant related party transactions where a third party receives services from the Company:

Services	Total Transaction Value	Revenues			Due From Related Party	
		Year Ended December 31,			December 31,	
		2022	2021	2020	2022	December 31, 2021
Technological and production services ⁽¹⁾	\$227	\$ 91	\$ 60	\$ 50	\$ 42	\$ 10
Marketing services ⁽²⁾	Ongoing arrangement ⁽⁷⁾	3,387	243	522	493	88
Polling services ⁽³⁾	1,481	718	436	—	380	70
Marketing and website development services ⁽⁴⁾	6,204	7,185	9,647	—	488	979
Marketing and advertising services ⁽⁵⁾	3,576	1,930	950	—	1,506	506
Marketing and advertising services ⁽⁸⁾	Ongoing arrangement ⁽⁷⁾	1,418	299	—	1,072	153
Marketing services ⁽⁸⁾	603	418	—	—	30	—
Marketing services ⁽⁸⁾	Ongoing arrangement ⁽⁷⁾	5,564	4,814	—	3,476	4,033
Polling services ⁽⁶⁾	3,450	2,365	—	—	—	—
Total		\$ 23,076	\$ 16,449	\$ 572	\$ 7,487	\$ 5,839

Services	Total Transaction Value	Revenue			Due From Related Party	
		Year Ended December 31,			December 31,	
		2023	2022	2021	2023	2022
(dollars in thousands)						
Marketing and advertising services ⁽¹⁾	\$465 and Continuous ⁽⁷⁾	\$ 2,576	\$ 2,240	\$ —	\$ 1,518	\$ 1,047
Marketing and advertising services ⁽²⁾	\$3,576 and Continuous ⁽⁷⁾	894	7,449	950	4,381	4,831
Marketing and website development services ⁽³⁾	\$6,496 and Continuous ⁽⁷⁾	3,566	7,185	9,440	694	488
Polling services ⁽⁴⁾	\$1,903	1,042	379	436	160	280
Polling services ⁽⁵⁾	\$830	350	339	—	39	—
Polling services ⁽⁶⁾	\$4,431	1,046	3,450	—	—	—

Total	\$ 9,474	\$ 21,042	\$ 10,826	\$ 6,792	\$ 6,646

- (1) Client was founded by A member of the Company's Chief Executive Officer.
- (2) Family member of one of the Brands' partners Board holds an executive leadership position in or is on the Board of the client.
- (3) Family members of certain of the Company's executives hold key leadership positions in the client
- (4) Client has significant interest in the Company.
- (5) (2) Brands' partners and executives either hold a key leadership position in or are on the board Board of directors the client.
- (3) Client has a significant interest in the Company.
- (4) A family member of the Company's Chief Executive Officer holds a key leadership position in the client.
- (5) A family member of the Company's President holds a key leadership position in the client.
- (6) Founder of the client has significant interest in the Company.
- (7) This arrangement was Certain of the contractual arrangements within these transactions were entered into for an indefinite term and is are invoiced as services are provided.
- (8) A member of the Company's board of directors holds an executive leadership position or are in the board of directors of the client. provided, while others have a fixed definitive contract value.

The following table presents significant related party transactions in which the Company receives services from a third party:

Services	Total Transaction Value	Expenses			Due to Related Party	
		Year Ended December 31,			December 31,	
		2022	2021	2020	2022	December 31, 2021
Data management services (1)	Ongoing arrangement (4)	\$ 2,138	\$ 1,473	\$ 8,009	\$ 1,295	\$ 623
Sales and management services (2)	Ongoing arrangement (4)	2,006	788	—	1,416	442
Marketing services (3)	\$40	40	—	—	40	—
Marketing services (5)	365	181	—	—	—	—
Total		\$ 4,365	\$ 2,261	\$ 8,009	\$ 2,751	\$ 1,065

- (1) Family member of one of the Brand's partners holds an executive leadership position in the third party.
- (2) Chief Executive Officer of the Brand is a shareholder of the affiliate providing the services.
- (3) A family member of the Company's President holds a key leadership position in the client.
- (4) This arrangement was entered into for an indefinite term and is invoiced as services are provided.
- (5) A member of the Company's board of directors holds an executive leadership position or are on the board of directors of the client.

In 2019, a Brand of the Company, entered into a loan agreement with a third related party who holds a minority interest in the Brand. The loan receivable of \$3,611 \$0.8 million and \$3,784 \$3.6 million due from the third party is included within Other current assets in the Company's Consolidated Balance Sheets as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively. The Company recognized \$464, \$307, \$0.3 million, \$0.5 million and \$249 \$0.3 million for the years year ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021 respectively, of interest income within Interest expense, net on its Consolidated Statements of Operations. In addition, in 2021, the Brand entered into an arrangement to obtain sales and management services from the same third party. Under the arrangement, the Brand has incurred \$2.4 million, \$2.0 million and \$0.8 million of related party expense for the year ended December 31, 2023, 2022 and 2021, respectively. As of December 31, 2023 and December 31, 2022, \$0.6 million and \$1.4 million, respectively, was due to the third party.

In 2018, a Brand entered into an agreement to provide marketing and advertising services to a related party whose partners hold executive leadership positions in the Brand. Under the arrangement, the Brand recognized \$0.8 million, \$1.0 million, and \$0.7 million of revenue for the years ended December 31, 2023, 2022 and 2021, respectively. As of December 31, 2023 nothing was from the related party, and as of December 31, 2022, \$0.8 million was due from the related party. In addition, on behalf of the related party, the Brand serves as an agent to transfer funds from one of the related party's customers to the related party. The Brand does not receive revenue from this arrangement. As of December 31, 2023 \$0.7 million was due to the related party, and nothing was due as of December 31, 2022.

In 2022, the Company made loans to three employees of a subsidiary each in the amount of approximately \$889, \$0.9 million, together with interest on the unpaid principal balance at a fixed interest rate equal to 3.5% per annum, compounding quarterly. The cash from the loan was used by the employees to purchase the noncontrolling interest of 13.3% in TMA Direct.

Prior Period Transactions

In October 2020, a Brand entered into an arrangement to provide marketing services to a client in which one of the Brand's partners holds a key leadership position. During the years ended December 31, 2021 and 2020, the Company recognized \$5,146 and \$4,866, respectively, in revenue related to this transaction. As of December 31, 2022 and 2021, there were no balances due from the client related to this arrangement. This transaction was fully recognized in 2021.

During the years ended December 31, 2021 and 2020, Stagwell Media made additional non-cash investments in the Company of \$12,400, and \$93,900 respectively. Additionally, during the years ended December 31, 2021 and 2020, the Company made cash investments of \$1,600 and \$1,500, respectively. In March 2021, the Company made a non-cash distribution to Stagwell Media of \$13,000. Additionally, the Company made cash distributions to Stagwell Media of \$191,900 and \$108,500 for the years ended December 31, 2021 and 2020, respectively.

20. Segment Information

The Company determines an operating segment if a component (i) engages in business activities from which it earns revenues and incurs expenses, (ii) has discrete financial information, and is (iii) regularly reviewed by the Chief Operating Decision Maker ("CODM"), who is Mark Penn, Chief Executive Officer and Chairman, to make decisions regarding resource allocation for the segment and assess its performance. Once operating segments are identified, the Company performs an analysis to determine if aggregation of operating segments is applicable. This determination is based upon a quantitative analysis of the expected and historic average long-term profitability for each operating segment, together with a qualitative assessment to determine if operating segments have similar operating characteristics.

The CODM uses Adjusted EBITDA (defined below) as a key metric, to evaluate the operating and financial performance of a segment, identify trends affecting the segments, develop projections and make strategic business decisions. Adjusted EBITDA is defined as Net income excluding non-operating income or expense to achieve operating income, plus depreciation and amortization, stock-based compensation, deferred acquisition consideration adjustments, and other items. Other items include restructuring costs, acquisition-related expenses, and non-recurring items.

Due The Company made changes to changes in the Company's internal management and reporting structure in the second first quarter of 2022, 2023, resulting in an update to our reportable segment results for periods segments (Networks). The change in reportable segments was that Mono, previously in the Integrated Agencies Network, is now within Allison & Partners in the Communications Network, Storyline (a Brand specializing in research and survey generation), previously in the Communications Network, is now within Constellation in the Integrated Agencies Network. Periods presented prior to the second first quarter of 2022 2023 have been recast to reflect the reclassification of certain reporting units (Brands) between operating segments. The changes in reportable segments were that the Forsman & Bodenfors, Observatory, Crispin Porter Bogusky, Bruce Mau and Vitro Brands, previously within the Integrated Agencies Network, are now within the Brand Performance Network.

The Company has three reportable segments as follows: "Integrated Agencies Network," "Brand Performance Network" and the "Communications Network." In addition, the Company combines and discloses operating segments that do not meet the aggregation criteria, and includes the elimination of certain intercompany services, as "All Other." This segment also includes the elimination of intercompany revenue. The Company also reports corporate expenses, as further detailed below, as "Corporate." All segments follow the same basis of presentation and accounting policies as those described throughout the Notes included herein.

- The **Integrated Agencies Network** includes five operating segments: the Anomaly Alliance, Constellation, the Doner Partner Network, Code and Theory, and National Research Group. The operating segments offer an array of complementary services spanning our core capabilities of Digital Transformation, Performance Media & Data, Consumer Insights & Strategy, and Creativity & Communications. The Brands included in the operating segments that comprise the Integrated Agencies Network reportable segment are as follows: Anomaly Alliance (Anomaly, Concentric, Hunter, Mono, YML and Scout (Brands) (Anomaly), Constellation (72andSunny, Colle McVoy, Hunter, Instrument,

Redscout, Hello Design, Team Enterprises, Harris Insights, Left Field Labs, and Harris Insights) Movers and Shakers), the Doner Partner Network (Doner, KWT Global, Harris X, Veritas, Doner North, Northstar, which is currently sunsetting, and Yamamoto (Brands)), Code and Theory, and National Research Group. ConcentricLife, which was part of Anomaly Alliance was sold on October 31, 2023.

These operating segments share similar characteristics related to (i) the nature of their services; (ii) the type of clients and the methods used to provide services; and (iii) the extent to which they may be impacted by global economic and geopolitical risks. In addition, these operating segments may occasionally compete with each other for new business or have business move between them.

- The **Brand Performance Network** ("BPN"), previously referred to as the "Media Network" reportable segment, is comprised of a single operating segment. BPN includes a unified media and data management structure with omnichannel media placement, creative media consulting, influencer and business-to-business marketing capabilities. Our Brands in this segment aim to provide scaled creative performance through developing and executing sophisticated omnichannel campaign strategies leveraging significant amounts of consumer data. BPN's Brands provide media solutions such as audience analysis, media planning, and buying across a range of digital and traditional platforms (out-of-home, paid search, social media, lead generation, programmatic, television, broadcast, among others) and includes multichannel Brands Assembly, Brand New Galaxy, Crispin Porter Bogusky, Forsman & Bodenfors, Goodstuff, Bruce Mau, Design, Goodstuff, MMI Agency, digital creative & transformation consultancy Gale, B2B specialist Multiview, Observatory, Vitro, CX specialists Kenna, and travel media experts Ink.
- The **Communications Network** reportable segment is comprised of a single operating segment, our specialist network that provides advocacy, strategic corporate communications, investor relations, public relations, online fundraising and other services to both corporations and political and advocacy organizations and consists of our Allison & Partners brands, SKDK (including Sloane & Company), brands, and Targeted Victory brands.
- All Other** consists of the Company's digital innovation group and Stagwell Marketing Cloud Group, including Maru and Epicenter, and products such as ARound, PRophet ARound and Reputation Defender (which was sold in September 2021). SmartAssets.
- Corporate** consists of corporate office expenses incurred in connection with the strategic resources provided to the operating segments, as well as certain other centrally managed expenses that are not fully allocated to the operating segments. These office and general expenses include (i) salaries and related expenses for corporate office employees, including employees dedicated to supporting the operating segments, (ii) occupancy expenses relating to properties occupied by all corporate office employees, (iii) other office and general expenses including professional fees for the financial statement audits and other public company costs, and (iv) certain other professional fees managed by the corporate office. Additional expenses managed by the corporate office that are directly related to the operating segments are allocated to the appropriate reportable segment and the All Other category.

	Year Ended December 31,		
	2022	2021	2020
Revenue:			
Integrated Agencies Network	\$ 1,479,802	\$ 770,056	\$ 221,595
Brand Performance Network	757,208	424,632	262,362
Communications Network	430,820	248,832	382,815
All Other	19,962	25,843	21,260

Total Revenue	\$	2,687,792	\$	1,469,363	\$	888,032
Adjusted EBITDA:						
Integrated Agencies Network	\$	293,643	\$	163,596	\$	42,332
Brand Performance Network		115,835		65,942		27,697
Communications Network		85,684		45,527		78,562
All Other		(933)		(769)		(1,893)
Corporate		(43,111)		(20,644)		(3,530)
Total Adjusted EBITDA	\$	451,118	\$	253,652	\$	143,168
Depreciation and amortization	\$	(131,273)	\$	(77,503)	\$	(41,025)
Impairment and other losses		(122,179)		(16,240)		—
Stock-based compensation		(33,152)		(75,032)		—
Deferred acquisition consideration		13,405		(18,721)		(4,497)
Other items, net		(18,691)		(21,430)		(13,906)
Total Operating Income	\$	159,228	\$	44,726	\$	83,740

	Year Ended December 31,				
	Year Ended December 31,				
	Year Ended December 31,				
	2023	2023	2022	2021	
	(dollars in thousands)			(dollars in thousands)	
Revenue:					
Integrated Agencies Network					
Integrated Agencies Network					
Integrated Agencies Network					
Brand					
Performance					
Network					
Communications					
Network					
All Other					
Total					
Revenue					

	Year Ended December 31,		
	2022	2021	2020
Other Income (expenses):			
Interest expense, net	\$ (76,062)	\$ (31,894)	\$ (6,223)
Foreign exchange, net	(2,606)	(3,332)	(721)
Other, net	(7,059)	50,058	544
Income before income taxes and equity in earnings of non-consolidated affiliates	73,501	59,558	77,340
Income tax expense	7,580	23,398	5,937
Income before equity in earnings of non-consolidated affiliates	65,921	36,160	71,403
Equity in income (loss) of non-consolidated affiliates	(79)	(240)	58
Net income	65,842	35,920	71,461

Net income attributable to noncontrolling and redeemable noncontrolling interests	(38,573)	(14,884)	(15,105)
Net income attributable to Stagwell Inc. common shareholders	\$ 27,269	\$ 21,036	\$56,356
Depreciation and amortization:			
Adjusted EBITDA:			
Adjusted EBITDA:			
Adjusted EBITDA:			
Integrated Agencies Network			
Integrated Agencies Network			
Integrated Agencies Network	Integrated Agencies Network	\$ 74,609	\$ 37,646 \$ 9,360
Brand Performance Network	Brand Performance Network	33,674	26,031 20,117
Communications Network	Communications Network	10,831	7,553 5,903
All Other Corporate	All Other Corporate	5,234 6,925	2,498 3,775 3,681 1,964
Total depreciation and amortization		\$131,273	\$ 77,503 \$41,025
Total Adjusted EBITDA			
Stock-based compensation:			
Integrated Agencies Network		\$ 13,774	\$ 47,190 \$ —
Brand Performance Network		5,830	5,251 —
Communications Network		1,797	15,928 —
All Other Corporate		41 11,710	39 6,624 —
Total stock-based compensation		\$ 33,152	\$ 75,032 \$ —
Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization			
Impairment and other losses			
Stock-based compensation			
Deferred acquisition consideration			
Other items, net			
Total Operating Income			
Other Income (expenses):			
Other Income (expenses):			
Other Income (expenses):			
Interest expense, net			
Interest expense, net			
Interest expense, net			

Foreign
exchange, net
Gain on sale of
business
Other, net
Income before
income taxes
and equity in
earnings of non-
consolidated
affiliates
Income tax
expense
Income before
equity in
earnings of non-
consolidated
affiliates
Equity in (loss)
of non-
consolidated
affiliates
Net income
Net (income)
loss attributable
to noncontrolling
and redeemable
noncontrolling
interests
Net income
attributable to
Stagwell Inc.
common
shareholders

The Company recognized a severance charge Company's long-lived assets (i.e., Right-of-use-lease assets-operating leases and Fixed asset, net) was \$332.1 million (\$268.5 million in the United States and \$63.6 million in all other countries) as of approximately \$10,600 December 31, 2023, and \$372.4 million (\$315.8 million in 2022, the majority United States and \$56.7 million in all other countries) as of which was at the Brand Performance Network. December 31, 2022.

The Company's CODM does not use segment assets to allocate resources or to assess performance of the segments and therefore, total segment assets have not been disclosed.

See Note 5 of the Notes included herein for a summary of the Company's revenue by geographic region for the years ended December 31, 2023, 2022, and 2021.

21. Revision of 2022 Issued Consolidated Financial Statements

As described in Note 1, in connection with the preparation of the consolidated financial statements for the year ended December 31, 2023, the Company identified errors in the areas of income taxes, noncontrolling interests, and accumulated other comprehensive loss in its previously issued 2022 annual consolidated financial statements.

The Company has revised its financial statements as of and for the year ended December 31, 2022, 2021, to reflect the corrections in this Form 10-K. There were no changes to previously issued cash flows generated from (used by) operating, investing, or financing activities for any of the impacted periods. Line items impacted in the Consolidated Statements of Shareholders Equity have been reflected below within the Statements of Comprehensive Income (Loss) and 2020. Consolidated Balance Sheet below. Presented below are the effects of the errors to the impacted financial statements as of and for the year ended December 31, 2022.

Consolidated Statements of Operations and

Consolidated Statements of Comprehensive Income (Loss)

	Year Ended December 31, 2022		
	As reported	Adjustment	As revised
Other, net	\$ (7,059)	\$ 2,084	\$ (4,975)
Other income (expenses)	(85,727)	2,084	(83,643)
Income before income taxes and equity in earnings of non-consolidated affiliates	73,501	2,084	75,585
Income tax expense	7,580	17,882	25,462
Income before equity in earnings of non-consolidated affiliates	65,921	(15,798)	50,123

Net income	65,842	(15,798)	50,044
Net (income) attributable to noncontrolling and redeemable noncontrolling interests	(38,573)	8,448	(30,125)
Net income attributable to Stagwell Inc. common shareholders	<u>\$ 27,269</u>	<u>\$ (7,350)</u>	<u>\$ 19,919</u>
Earnings Per Common Share:			
Basic	0.22	(0.06)	0.16
Diluted	0.17	(0.05)	0.12
Year Ended December 31, 2022			
	<u>As reported</u>	<u>Adjustment</u>	<u>As revised</u>
Other comprehensive (loss) - foreign currency translation adjustment	\$ (37,751)	\$ (22)	\$ (37,773)
Other comprehensive (loss)	(33,663)	(22)	(33,685)
Comprehensive income for the period	32,179	(15,820)	16,359
Comprehensive (income) attributable to the noncontrolling and redeemable noncontrolling interest	(38,573)	31,933	(6,640)
Comprehensive income (loss) attributable to Stagwell Inc. common shareholders	(6,394)	16,113	9,719

Consolidated Balance Sheet

	December 31, 2022		
	<u>As reported</u>	<u>Adjustment</u>	<u>As revised</u>
Other current assets	71,443	2,568	74,011
Total current assets	\$ 1,030,955	\$ 2,568	\$ 1,033,523
Other assets	115,447	691	116,138
Total assets	\$ 3,993,332	\$ 3,259	\$ 3,996,591
Accruals and other liabilities	248,477	20,394	268,871
Total current liabilities	1,349,802	20,394	1,370,196
Deferred tax liabilities, net	40,109	770	40,879
Other liabilities	69,780	(2,085)	67,695
Total liabilities	\$ 3,009,587	\$ 19,079	\$ 3,028,666
Retained earnings	29,445	(7,350)	22,095
Accumulated other comprehensive loss	(38,941)	23,463	(15,478)
Stagwell Inc. Shareholders' Equity	482,537	16,113	498,650
Noncontrolling interests	462,097	(31,933)	430,164
Total Shareholders' Equity	944,634	(15,820)	928,814
Total Liabilities, Redeemable Noncontrolling Interests and Shareholders' Equity	\$ 3,993,332	\$ 3,259	\$ 3,996,591

22. Quarterly Financial Information (Unaudited)

The following table presents selected unaudited revised financial information for each of the four quarters during the year ended December 31, 2023. See Note 1 of the Notes included herein for additional information on the revision. There were no changes to previously issued cash flows generated from (used by) operating, investing, or financing activities for any of the impacted periods. The quarterly interim consolidated balance sheets were only impacted by the effects of the balance sheet adjustments noted above. For the three months ended March 31, 2023, we have included the line items that will be impacted by the correction of errors originally adjusted as out-of-period in the 2023 interim financial statements for the Consolidated Statements of Shareholders Equity. The impact to the Consolidated Statements of Shareholders Equity for the periods ended June 30, 2023 and September 30, 2023 have been reflected below within the Consolidated Statements of Comprehensive Income (Loss).

Consolidated Statements of Operations and

Consolidated Statements of Comprehensive Income (Loss)

	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Revenue	\$ 622,444	\$ 632,265	\$ 617,573	\$ 654,895
Cost of services	413,898	402,431	384,980	419,865
Income tax expense	236	437	4,324	35,560
Income (loss) before equity in earnings of non-consolidated affiliates	(2,642)	(4,749)	3,121	54,782

Net income (loss)	(2,869)	(4,965)	3,117	46,359
Net (income) loss attributable to noncontrolling and redeemable noncontrolling interests	4,258	1,771	(2,464)	(45,073)
Net income (loss) attributable to Stagwell Inc. common shareholders	1,389	(3,194)	653	1,286
Earnings (Loss) Per Common Share				
Basic	0.01	(0.03)	0.01	0.01
Diluted	0.00	(0.03)	0.00	0.00
Other comprehensive income (loss) - foreign currency translation adjustment	4,447	2,945	(13,516)	14,120
Other comprehensive income (loss)	4,447	2,945	(13,516)	14,458
Comprehensive income (loss) for the period	1,578	(2,020)	(10,399)	60,817
Comprehensive (income) loss attributable to the noncontrolling and redeemable noncontrolling interests	2,036	(1,158)	5,483	(53,792)
Comprehensive income (loss) attributable to Stagwell Inc. common shareholders	3,614	(3,178)	(4,916)	7,025

The impact of the revision on the previously issued unaudited quarterly financial information is as follows:

	Three Months Ended March 31, 2023		
	As reported	Adjustment	As revised
Income tax expense	\$ 2,384	\$ (2,148)	\$ 236
Loss before equity in earnings of non-consolidated affiliates	(4,790)	2,148	(2,642)
Net loss	(5,017)	2,148	(2,869)
Net loss attributable to noncontrolling and redeemable noncontrolling interests	5,460	(1,202)	4,258
Net income attributable to Stagwell Inc. common shareholders	443	946	1,389
Earnings (Loss) Per Common Share			
Basic	0.00	0.01	0.01
Diluted	(0.01)	0.01	0.00
Other comprehensive income - foreign currency translation adjustment	4,425	22	4,447
Other comprehensive income	4,425	22	4,447
Comprehensive income (loss) for the period	(592)	2,170	1,578
Comprehensive loss attributable to the noncontrolling and redeemable noncontrolling interests	26,723	(24,687)	2,036
Comprehensive income attributable to Stagwell Inc. common shareholders	26,131	(22,517)	3,614
	Three Months Ended June 30, 2023		
	As reported	Adjustment	As revised
Income tax expense	\$ 5,717	\$ (5,280)	\$ 437
Loss before equity in earnings of non-consolidated affiliates	(10,029)	5,280	(4,749)
Net loss	(10,245)	5,280	(4,965)
Net loss attributable to noncontrolling and redeemable noncontrolling interests	5,552	(3,781)	1,771
Net loss attributable to Stagwell Inc. common shareholders	(4,693)	1,499	(3,194)
Loss Per Common Share			
Basic	(0.04)	0.01	(0.03)
Diluted	(0.04)	0.01	(0.03)
Other comprehensive income - foreign currency translation adjustment	2,938	7	2,945
Other comprehensive income	2,938	7	2,945
Comprehensive loss for the period	(7,307)	5,287	(2,020)
Comprehensive (income) loss attributable to the noncontrolling and redeemable noncontrolling interests	2,623	(3,781)	(1,158)
Comprehensive loss attributable to Stagwell Inc. common shareholders	(4,684)	1,506	(3,178)

	Six Months Ended June 30, 2023		
	As reported	Adjustment	As revised
Income tax expense	\$ 8,101	\$ (7,428)	\$ 673
Loss before equity in earnings of non-consolidated affiliates	(14,819)	7,428	(7,391)
Net loss	(15,262)	7,428	(7,834)
Net loss attributable to noncontrolling and redeemable noncontrolling interests	11,012	(4,983)	6,029
Net loss attributable to Stagwell Inc. common shareholders	(4,250)	2,445	(1,805)
Loss Per Common Share			
Basic	(0.04)	0.03	(0.01)
Diluted	(0.04)	0.03	(0.01)
Other comprehensive income - foreign currency translation adjustment	7,363	29	7,392
Other comprehensive income	7,363	29	7,392
Comprehensive loss for the period	(7,899)	7,457	(442)
Comprehensive loss attributable to the noncontrolling and redeemable noncontrolling interests	29,346	(28,468)	878
Comprehensive income attributable to Stagwell Inc. common shareholders	21,447	(21,011)	436
	Nine Months Ended September 30, 2023		
	As reported	Adjustment	As revised
Income tax expense	\$ 12,425	\$ (7,428)	\$ 4,997
Loss before equity in earnings of non-consolidated affiliates	(11,698)	7,428	(4,270)
Net loss	(12,145)	7,428	(4,717)
Net loss attributable to noncontrolling and redeemable noncontrolling interests	8,548	(4,983)	3,565
Net loss attributable to Stagwell Inc. common shareholders	(3,597)	2,445	(1,152)
Loss Per Common Share			
Basic	(0.03)	0.02	(0.01)
Diluted	(0.03)	0.02	(0.01)
Other comprehensive loss - foreign currency translation adjustment	(6,153)	29	(6,124)
Other comprehensive loss	(6,153)	29	(6,124)
Comprehensive loss for the period	(18,298)	7,457	(10,841)
Comprehensive loss attributable to the noncontrolling and redeemable noncontrolling interests	34,829	(28,468)	6,361
Comprehensive income (loss) attributable to Stagwell Inc. common shareholders	16,531	(21,011)	(4,480)

Consolidated Statements of Shareholders' Equity

	Three Months Ended March 31, 2023		
	As reported	Adjustment	As revised
Net income attributable to Stagwell Inc. common shareholders	\$ 443	\$ 946	\$ 1,389
Net income (loss) attributable to Noncontrolling Interests	(2,917)	1,202	(1,715)
Other comprehensive income	25,688	(23,463)	2,225
Other comprehensive income (loss) attributable to Noncontrolling Interests	(21,263)	23,485	2,222
Total other comprehensive income	\$ 4,425	\$ 22	\$ 4,447

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

Not Applicable.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be included disclosed in our SEC the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the applicable time periods specified by in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer ("CEO"), who is our principal executive officer, and Chief Financial Officer ("CFO"), who is our principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. disclosure.

We conducted an evaluation, under the supervision and with the participation of our management, including our CEO CFO and management Disclosure Committee, CFO, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Rules 13a-15(e) 13a-15(b) and 15d-15(e) 15d-15(b) of the Exchange Act. Based on that evaluation, and in light of the unremediated material weaknesses identified in our internal control over financial reporting described below, our CEO and CFO concluded that, as of December 31, 2022, December 31, 2023, our disclosure controls and procedures were not effective.

Notwithstanding the conclusion by our CEO and CFO that our disclosure controls and procedures were not effective at a reasonable assurance level, as of December 31, 2023, management has concluded that the consolidated financial statements and related financial information included in this Form 10-K fairly present in all material respects our financial condition, results of operations and cash flows as of the dates presented, and for the periods ended on such dates, in conformity with GAAP.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and Rule 15d-15(f) of the Exchange Act. Our internal control over financial reporting is a process designed by, or under the supervision of, our CEO and CFO, and effected by our board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and the dispositions of our assets; (2) provide reasonable assurance that our transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with appropriate authorizations; authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Our management, under the supervision of and with the participation of the CEO and CFO, assessed the effectiveness of our internal control over financial reporting based on as of December 31, 2023 using the criteria set forth in Internal Control-Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this assessment, our management concluded that our internal control over financial reporting was not effective as of December 31, 2022 December 31, 2023, as because of the existing material weaknesses described below. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

As outlined

Management identified material weaknesses in Item 8—Financial Statements and Supplementary Data, Note 4 — Acquisitions, throughout 2022, we acquired several companies in a series of purchase business combinations including Brand New Galaxy, Maru Group Limited, TMA Direct, Inc, Wolfgang, LLC, Epicenter Experience LLC and other less significant acquisitions. The Securities and Exchange Commission permits companies to exclude acquisitions from their assessment of our internal control over financial reporting during the first year as follows:

- We lacked a sufficient complement of resources with an acquisition, appropriate level of accounting knowledge, experience and our management has elected training to exclude these from our assessment as of December 31, 2022. Combined total assets (i) appropriately analyze, record and total revenues of the acquired businesses represent approximately 4% disclose accounting matters timely and 2%, respectively, of the related consolidated financial statement amounts as of accurately, and for the year ended December 31, 2022. (ii) perform effective processes and controls.

Material Weaknesses in Internal Control over Financial Reporting

The following material weaknesses were disclosed in our Form 10-K for the fiscal year ended December 31, 2021 and the remediation has not been completed as of December 31, 2022.

- We did not effectively select and develop certain information technology ("IT") general controls related to access and change management controls that led to deficiencies in the design and operation of maintain an effective risk assessment process at a precise enough level to (i) identify, assess, and communicate appropriate control activities, including segregation of duties deficiencies. We also had deficiencies in the design and operation of account reconciliations. These deficiencies and a lack of sufficient resources contributed to the potential for there to have been material errors in our financial statements and therefore resulted in the following additional material weaknesses:
 - Risk Assessment—control deficiencies constituting material weaknesses, either individually or in the aggregate, relating to: (i) identifying, assessing, and communicating appropriate objectives, (ii) identifying identify and analyzing analyze risks to achieve these control objectives, and (iii) identifying identify and assessing assess changes in the business that could impact result in new and evolving risks of material misstatement in the system of internal controls; consolidated financial statements.
 - Control Activities—control deficiencies constituting material weaknesses, either individually or in the aggregate, relating to: (i) addressing relevant risks, (ii) providing evidence of performance, (iii) providing appropriate segregation of duties, or (iv) operation at a level of precision to identify all potentially material errors;
 - Information We did not design and Communication—control deficiencies constituting material weaknesses, either individually or in the aggregate, maintain effective controls over information and communication relating to communicating accurate information internally and externally, including providing information pursuant to objectives, responsibilities, and functions of internal control; and control.
 - Monitoring—control deficiencies constituting material weaknesses, either individually or in the aggregate, relating to We did not design and maintain effective monitoring activities controls to ascertain whether the components of internal control are present and functioning.

Notwithstanding

These material weaknesses contributed to the conclusion by following additional material weaknesses:

- We did not design and maintain effective control activities that address relevant risks at the appropriate level of precision to identify all potential material misstatements and retain sufficient evidence of the performance across all business processes covering all significant accounts, including controls over the review of journal entries, account reconciliations and segregation of duties in the finance and accounting functions.

These existing material weaknesses failed to prevent or detect misstatements requiring adjustments to our CEO income tax expense and CFO that our internal control over financial reporting as related accounts, accumulated other comprehensive loss, noncontrolling interest and related disclosures for each of December 31, 2022 was not effective, management has concluded that the interim periods of 2023 and resulted in the revision of the Company's consolidated financial statements for the annual period of 2022. These material weaknesses also resulted in immaterial adjustments to multiple accounts and related financial information included in this Annual Report on Form 10-K fairly present in all material respects our financial condition, results of operations disclosures for the annual and cash flows as each of the dates presented, and for interim periods of 2023. Additionally, these material weaknesses could result in material misstatements to the periods ended on such dates, in conformity with GAAP, annual or interim consolidated financial statements that would not be prevented or detected.

The effectiveness of our internal control over financial reporting as of December 31, 2022 December 31, 2023 has been audited by Deloitte & Touche PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included appears in Item 8 of this Item 9A, Form 10-K

Remediation Plan and Status for Unremediated Material Weaknesses

Although the material weaknesses described above have not yet been fully remediated as of December 31, 2022, our management remains committed to remediating identified control deficiencies (including both those that rise to the level of a material weakness and those that do not), fostering continuous improvement in our internal controls and enhancing our overall internal control environment.

The Company made progress with the remediation of these material weaknesses and continued to execute on the following remediation activities through December 31, 2022:

• While management, Continued to emphasize at under the executive management level, the importance leadership of our CFO, has improved our internal control over financial reporting as well as the integrity of our financial statements throughout the Company. fiscal year ended December 31, 2023, additional time and effort is required to fully complete the remediation activities. We continue to believe these actions will be effective in the remediation of the material weaknesses, but these activities currently remain ongoing.

- Hired a Senior Vice President of Sarbanes-Oxley Act ("SOX") reporting directly to the CFO with the appropriate level of knowledge and experience to lead the development and execution of the remediation plan.
- Established a SOX Steering Committee, that monitors and advises with respect to the remediation plan and progress.
- Enhanced We continued our enhanced communications with the Audit Committee of the Board of Directors for increased oversight. The Company also continues to formally report reports quarterly to the Audit Committee regarding progress against the remediation plan.
- Assessed We designed and implemented controls over our risk assessment process that include detailed qualitative and quantitative factors to identify and assess risks and implement or modify controls in response to those risks. We intend to further enhance our risk assessment process to identify potential risks related to the ongoing performance of controls. The risk assessment is regularly updated for new entities and changes in risk profile.
- Based on our assessment of the current state of the system of internal control including information technology systems and controls, at the consolidated and brand levels. The results of this assessment allowed management to enhance levels, we enhanced existing business processes and control activities and assess assessed the adequacy of its resources. Additional time is needed to make the required changes to our resourcing to facilitate effective operation of the controls.
- Implemented We implemented new controls and enhanced existing controls across our information technology environment to address all business processes covering all significant accounts, including controls over the identified material weaknesses. To assess review of journal entries, account reconciliations and segregation of duties in the effectiveness of the controls, management retained a consultant to test the design finance and implementation across select significant IT applications and remediation is in progress, accounting function.
- Redesign We redesigned and strengthened control activities over account reconciliations including enhanced review and approval controls.
- Conducted a detailed qualitative, quantitative, and fraud risk assessment We designed and enhanced the linkage between risks and management review controls to improve monitoring of internal controls associated with the risk of material misstatement, control over financial reporting.
- Formalized We also formalized internal control policies and procedures and conducted multiple in-depth trainings training sessions with control owners throughout the Company.

The Company has also continued to roll out

During the twelve months ended December 31, 2023, management evaluated its finance transformation initiative, which involves a phased deployment of new enterprise resource planning processes and human resource information systems and a shared service platform.

Management's actions are expected to continue into 2023, with internal control over financial reporting, remediated gaps in the goal of having the system design of internal controls substantially designed and implemented in performed operating effectiveness testing. However, additional time and effort is required to fully achieve operating effectiveness of the second quarter internal controls as well as ensure the related sufficiency of 2023, resources to maintain the operating effectiveness. We will consider the above material weaknesses to be fully remediated once the applicable controls operate for a sufficient period of time and our management has concluded, through testing, that these controls are operating effectively. In addition, as we continue to monitor the effectiveness of our internal control over financial reporting, we may perform additional internal control changes as necessary.

Remediation of Previously Disclosed Material Weaknesses

As previously reported in Item 9A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, management identified the following material weaknesses in our internal control over financial reporting, which were remediated as of December 31, 2023:

- We did not effectively select and develop certain information technology ("IT") general controls related to access and change management controls.

In 2022, our management developed a comprehensive remediation plan and began to execute this plan to remediate the material weaknesses described above. During the year ended December 31, 2023, we implemented several measures, which included the following:

- Designed and implemented new controls and enhanced existing controls across our information technology environment including general controls related to access and change management, and centralized numerous IT controls. We also retired IT systems by continuing to deploy the new enterprise resource planning and human resource information systems.

As of December 31, 2023, management determined the enhancements to controls noted above have been in place for a sufficient period of time and concluded, through testing, that the material weaknesses identified above had been remediated.

Changes in Internal Control Over Financial Reporting

Other than the changes discussed as described above, in connection with our implementation of the remediation plan, there were no other changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) 13a15(f) and 15d-15(f) 15d15(f) under the Exchange Act) that occurred during our most recent the quarter ended December 31, 2023, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

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

Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of Stagwell Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Stagwell Inc. and subsidiaries (the "Company") as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, because of the effect of the material weaknesses identified below on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO. We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2022, of the Company and our report dated March 6, 2023, expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control over Financial Reporting appearing under Item 9A, the Company acquired several companies in a series of business combinations during the year ended December 31, 2022, including Brand New Galaxy, Maru Group Limited, TMA Direct, Inc., Wolfgang, LLC, Epicenter Experience LLC and other less significant acquisitions. Management excluded these companies from its assessment of internal control over financial reporting. The combined total assets and total revenues of the acquired businesses represent approximately 4% and 2%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2022. Accordingly, our audit did not include the internal control over financial reporting for these acquired businesses.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Material Weaknesses

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment:

The Company did not effectively select and develop certain information technology ("IT") general controls related to access and change management controls that led to deficiencies in the design and operation of control activities, including segregation of duties deficiencies. The Company also had deficiencies in the design and operation of account reconciliations. These deficiencies and a lack of sufficient resources contributed to the potential for there to have been material errors in the Company's financial statements. Therefore, such deficiencies resulted in the following material weaknesses:

Risk Assessment - control deficiencies constituting material weaknesses, either individually or in the aggregate, relating to: (i) identifying, assessing, and communicating appropriate objectives, (ii) identifying and analyzing risks to achieve these objectives, and (iii) identifying and assessing changes in the business that could impact the system of internal controls.

Control Activities - control deficiencies constituting material weaknesses, either individually or in the aggregate, relating to: (i) addressing relevant risks, (ii) providing evidence of performance, (iii) providing appropriate segregation of duties, and (iv) operation at a level of precision to identify all potentially material errors.

Information and Communication - control deficiencies constituting material weaknesses, either individually or in the aggregate, relating to communicating accurate information internally and externally, including providing information pursuant to objectives, responsibilities, and functions of internal control.

Monitoring - control deficiencies constituting material weaknesses, either individually or in the aggregate, relating to monitoring activities to ascertain whether the components of internal control are present and functioning.

These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements as of and for the year ended December 31, 2022, of the Company, and this report does not affect our report on such financial statements.

/s/ Deloitte & Touche LLP

New York, NY

March 6, 2023

Item 9B. Other Information

On March 1, 2023, During the Company granted Mark Penn 225,000 stock appreciation rights ("SARs") in respect of the Company's Class A Common Stock under the Company's Second Amended and Restated 2016 Stock Incentive Plan and entered into a Stock Appreciation Rights Agreement with Mr. Penn. The SARs have a base price of \$6.79 per share, vest in three equal installments on each of the first three anniversaries of the date of grant, and expire on the fifth anniversary of the date of grant.

The description of the SARs Agreement in this Item 9B. is qualified in its entirety quarterly period covered by reference to the terms of the SARs Agreement, which is filed as Exhibit 10.9.3 to this Form 10-K, and is incorporated herein by reference. none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (each as defined in Item 408 of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item, and not set forth below, will be included in the Company's Proxy Statement for the 2023 2024 Annual General Meeting of Stockholders (the "2023 2024 Proxy Statement"), to be filed with the SEC no later than 120 days after December 31, 2022 December 31, 2023, and is incorporated herein by reference.

Executive Officers of Stagwell Inc.

The executive officers of Stagwell Inc. as of March 6, 2023 March 11, 2024 are:

Name	Age	Office
Mark Penn	69 70	Chairman of the Board, Chief Executive Officer
Jay Leveton	46 47	President
Frank Lanuto	60 61	Chief Financial Officer
Ryan Greene	45 46	Chief Operating Officer
Peter McElligott	38 39	General Counsel
Vincenzo DiMaggio	48 49	Senior Vice President, Chief Accounting Officer

There is no family relationship among any of the executive officers or directors.

Mr. Penn joined MDC in March 2019 and currently serves as Chairman of the Board and Chief Executive Officer. Mr. Penn has also been the Managing Partner and President of The Stagwell Group, a private equity fund that invests in digital marketing services companies, since its formation in 2015. Previously, Mr. Penn served as Microsoft's Executive Vice President and Chief Strategy Officer and held Chief Executive Officer position in multiple strategic public relation firms.

Mr. Leveton joined the Company in August 2021 as President. Prior to joining Stagwell Inc., Mr. Leveton served as a Partner of The Stagwell Group, where he was responsible for sourcing, integrating and scaling Stagwell's portfolio of companies, since July 2015. Previously, Mr. Leveton served as the Executive Vice President, Worldwide at Burson-Marsteller, a global public relations firm, from November 2010 to July 2015. Mr. Leveton has more than 20 years of leadership experience in marketing communications services and extensive experience in high-level political and corporate market research.

Mr. Lanuto joined MDC in June 2019 as Chief Financial Officer. Prior to joining Stagwell Inc., Mr. Lanuto served as Vice President, Corporate Controller at Movado Group, Inc. since August 2015. Before Movado Group, he spent over 17 years overseeing global financial functions and operations activities in the advertising, marketing and media services industries.

Mr. Greene joined the Company in August 2021 as Chief Operating Officer. Prior to joining Stagwell Inc., Mr. Greene served as Chief Financial Officer of The Stagwell Group since September 2015. Previously, Mr. Greene served as a Financial Management Consultant at MorganFranklin Consulting from October 2013 to September 2015, where he serviced clients across a variety of industries, including advertising technology, healthcare, financial services, and defense contractors, in connection with initial public offerings, mergers and acquisitions and business process reengineering. Prior to MorganFranklin, Mr. Greene worked in various financial leadership roles for several agencies of Omnicom Group Inc.'s Diversified Agency Services network. Earlier in his career, Mr. Greene held corporate finance and operations roles with Ernst & Young LLP, B|Com3 (acquired by Publicis Groupe), and Arthur Andersen, where he was employed in the Technology, Media and Telecom group.

Mr. McElligott joined Stagwell Inc. MDC in March 2021 and became our General Counsel in February 2022. Prior to joining Stagwell Inc., Mr. McElligott served as General Counsel of RapidSOS, Inc. from October 2019 to March 2021 and General Counsel of Spruce Holdings Inc. from January 2017 to October 2019. Previously, Mr. McElligott held positions as senior legal counsel at Citrix Systems Inc., a member of the corporate strategy team at Microsoft, and with a Washington, D.C. based law firm. Mr. McElligott started his legal career as a clerk for Judge James Loken on the 8th Circuit Court of Appeals.

Mr. DiMaggio joined MDC in 2018 as Chief Accounting Officer. Prior to joining Stagwell Inc., he served as the Senior Vice President, Global Controller & Chief Accounting Officer at Endeavor, from 2017 to 2018. Prior thereto, he worked at Viacom Inc. from 2012 to 2017 as Senior Vice President, Deputy Controller and at the New York Times Company from 1999 to 2012 ultimately serving as its Vice President, Assistant Corporate Controller.

Code of Conduct

The Company has adopted a Code of Conduct, which applies to all directors, officers (including the Company's Chief Executive Officer and Chief Financial Officer) and employees of the Company and its subsidiaries. The Company's policy is to not permit any waiver of the Code of Conduct for any director or executive officer, except in extremely limited circumstances. Any waiver of this Code of Conduct for directors or officers of the Company must be approved by the Board. Amendments to and waivers of the Code of Conduct will be publicly disclosed as required by applicable laws, rules and regulations. The Code of Conduct is available free of charge on the Company's website at <https://www.stagwellglobal.com> www.stagwellglobal.com/investors, or by writing to Stagwell Inc., One World Trade Center, Floor 65, New York, New York 10007, Attention: Investor Relations. The Company intends to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding amendments to, or waivers from, certain provisions of the Code of Conduct that apply to its principal executive officer, principal financial officer and principal accounting officer by posting such information on its website, at the address and location specified above.

Item 11. Executive Compensation

The information required by this item will be included in the 2023 2024 Proxy Statement to be filed with the SEC no later than 120 days after December 31, 2022 December 31, 2023 and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be included in the 2023 2024 Proxy Statement to be filed with the SEC no later than 120 days after December 31, 2022 December 31, 2023 and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this item will be included in the 2023 2024 Proxy Statement to be filed with the SEC no later than 120 days after December 31, 2022 December 31, 2023 and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information required by this item will be included in the 2023 2024 Proxy Statement to be filed with the SEC no later than 120 days after December 31, 2022 December 31, 2023 and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statement Schedules

The Financial Statements and Schedules listed in the accompanying Index to the Audited Consolidated Financial Statements in Item 8 are filed as part of this report. Schedules not included in the Index have been omitted because they are not applicable.

Schedule II — 1 of 2

STAGWELL INC. & SUBSIDIARIES

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

For the Three Years Ended December 31,

(dollars in thousands)

Column A	Column A	Column B	Column C	Column D	Column E	Column F	Column A	Column B	Column C	Column D	Column E	Column F
	Balance at Beginning of Period	Charged to Costs and Expenses	Removal of Uncollectible Receivables	Translation Adjustments Increase (Decrease)	Balance at the End of Period			Balance at Beginning of Period	Charged to Costs and Expenses	Removal of Uncollectible Receivables	Translation Adjustments Increase (Decrease)	Balance at End of Period
Description	Description					Description						
Valuation accounts deducted from assets to which they apply – allowance for doubtful accounts:	Valuation accounts deducted from assets to which they apply – allowance for doubtful accounts:											
December 31, 2023	December 31, 2023											
December 31, 2023	December 31, 2023											
December 31, 2023	December 31, 2023											
December 31, 2022	December 31, 2022	\$ 5,638	\$ 7,755	\$ (2,908)	\$ (116)	\$10,369						
December 31, 2021	December 31, 2021	5,109	2,037	(1,482)	(26)	5,638						
December 31, 2020	December 31, 2020	2,777	6,222	(3,907)	17	5,109						

Schedule II — 2 of 2

STAGWELL INC. & SUBSIDIARIES

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

For the Three Years Ended December 31,

(Dollars in Thousands)

Column A	Column A	Column B	Column C	Column D	Column E	Column F	Column A	Column B	Column C	Column D	Column E	Column F
	Balance at Beginning of Period	Charged to Costs and Expenses		Translation Adjustments Increase (Decrease)	Balance at the End of Period			Balance at Beginning of Period	Charged to Costs and Expenses		Translation Adjustments Increase (Decrease)	Balance at End of Period
Description	Description					Description						

Valuation accounts deducted from assets to which they apply – valuation allowance for deferred income taxes:	Valuation accounts deducted from assets to which they apply – valuation allowance for deferred income taxes:

December 31, 2023	
December 31, 2023	
December 31, 2023	

December 31, 2022	December 31, 2022	\$	5,825	\$	2,760	\$	3,638	\$	—	\$12,223
December 31, 2021	December 31, 2021		5,551		(15)		289		—	5,825
December 31, 2020			2,945		2,606		—		—	5,551

(b) Exhibits

The exhibits listed on the accompanying Exhibits Index are filed as a part of this report.

Item 16. Form 10-K Summary

None.

EXHIBIT INDEX

Exhibit No.	Description
2.1	Transaction Agreement, dated as of December 21, 2020, by and among Stagwell Media LP and MDC Partners Inc. (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed on December 22, 2020).

2.2	Amendment No. 1 to the Transaction Agreement, dated as of June 4, 2021 (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed on June 7, 2021).
2.3	Amendment No. 2 to the Transaction Agreement, dated as of July 8, 2021 (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed on July 9, 2021).
3.1	Second Amended and Restated Certificate of Incorporation of Stagwell Inc., as amended (incorporated by reference to Exhibit 3.1 to the Company's Form 10-K 10-Q filed March 17, 2022 May 9, 2023).
3.2	Amended and Restated Bylaws of Stagwell Inc. (incorporated by reference to Exhibit 3.2 to the Company's Form 8-K filed on August 2, 2021).
4.1	Indenture, dated as of August 20, 2021, among Stagwell Global LLC (f/k/a Midas OpCo Holdings LLC), the Note Guarantors party thereto, and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on August 20, 2021).
4.2	Form of 5.625% Senior Note due 2029 (included in Exhibit 4.1).
4.3	Description of Securities (incorporated by reference to Exhibit 4.4 to the Company's Form 10-K filed March 17, 2022) . Securities.*
10.1	Second Amended and Restated Limited Liability Company Agreement of Stagwell Global LLC dated as of March 23, 2022. (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed March 28, 2022).
10.2	Amended and Restated Credit Agreement, dated as of August 2, 2021, as amended, among Stagwell Marketing Group LLC, Stagwell Global LLC, Maxxcom LLC, and the other Borrowers and other Loan Parties party thereto, the Lenders and other parties party thereto, and JP Morgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 10.3 to the Company's Form 10-Q filed on August 5, 2022 May 9, 2023).
10.3	Amendment No. 3 to Amended and Restated Credit Agreement, dated as of December 14, 2022.*
10.4	Securities Purchase Agreement, by and between MDC Partners Inc. and Broad Street Principal Investments, L.L.C., dated as of February 14, 2017 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on February 15, 2017).
10.4.1 10.3.1	Goldman Letter Agreement, dated as of April 21, 2021, by and among MDC Partners Inc., Broad Street Principal Investments, L.L.C., Stonebridge 2017, L.P. and Stonebridge 2017 Offshore, L.P. (incorporated by reference to Exhibit 10.1 to the Company's Amendment No. 2 to Registration Statement on Form S-4 filed on April 21, 2021).
10.4.2	Goldman Letter Agreement, dated as of July 8, 2021, by and among MDC Partners Inc., Broad Street Principal Investments, L.L.C., Stonebridge 2017, L.P. and Stonebridge 2017 Offshore, L.P. (incorporated by reference to Exhibit 2.2 to the Company's Form 8-K filed on July 9, 2021).
10.4.3	Amendment to Securities Purchase Agreement, dated August 4, 2021, by and between Stagwell Inc. and Broad Street Principal Investments, L.L.C. (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on August 4, 2021).
10.5 10.4	Securities Purchase Agreement, by and between MDC Partners Inc. and Stagwell Agency Holdings LLC, dated as of March 14, 2019 (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed on March 15, 2019).
10.5.1 10.4.1	Amendment to Securities Purchase Agreement, dated August 4, 2021, by and between Stagwell Inc. and Stagwell Agency Holdings LLC (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K filed on August 4, 2021).
10.6 10.5	Registration Rights Agreement, dated August 2, 2021, by and among the Company and the Stagwell Parties (as defined therein) (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on August 2, 2021).
10.7 10.6	Tax Receivable Agreement, dated August 2, 2021, by and among the Company, Midas OpCo Holdings LLC and Stagwell Media LP (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed on August 2, 2021).
10.8 10.7	Information Rights Letter Agreement, dated August 2, 2021, by and among the Company, Stagwell Media LP, Stagwell Group LLC and Stagwell Agency Holdings LLC (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K filed on August 2, 2021).
10.10.8	Stock Repurchase Agreement, dated May 9, 2023, Between Stagwell Inc. and the entities listed on Schedule I thereto (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on May 9, 2023).
10.9.1	Second Amended and Restated Employment Agreement, Amendment , dated as of March 11, 2022, by and between the Company and Mark Penn (incorporated by reference to Exhibit 10.10 to the Company's Form 10-K filed March 17, 2022).
10.9.1.1 10.9.1.1	Stock Appreciation Rights Agreement by and between the Company and Mark Penn, dated as of April 5, 2019 (incorporated by reference to Exhibit 10.1 to the Company's Form 10-K/A filed April 29, 2020).
10.9.2.1	Amended and Restated Stock Appreciation Rights Agreement by and between the Company and Mark Penn, dated as of March 11, 2022 (incorporated by reference to Exhibit 10.10.2 to the Company's Form 10-K filed March 17, 2022).
10.9.10.9.2.1.3	Stock Appreciation Rights Agreement by and between the Company and Mark Penn, dated as of March 1, 2023.*

(incorporated by reference to Exhibit 10.9.3 to the Company's Form 10-K filed on March 6, 2023).

10.1 10.10 10.1†	Employment Agreement dated as of May 6, 2019, by and between the Company and Frank Lanuto (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on May 8, 2019).
10.1 10.10 10.1†	Employment Agreement Amendment, dated as of September 8, 2021, by and between the Company and Frank Lanuto (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed on September 8, 2021).
10.10.2 10.11†	Stock Appreciation Rights Agreement by and between the Company and Frank Lanuto, dated as of June 12, 2019 (incorporated by reference to Exhibit 10.2 to the Company's Form 10-K/A filed April 29, 2020).
10.10.3†	Stock Appreciation Rights Agreement by and between the Company and Frank Lanuto, dated as of June 12, 2019 (incorporated by reference to Exhibit 10.3 to the Company's Form 10-K/A filed April 29, 2020).
10.11†	Employment Agreement, dated as of September 12, 2021, by and between the Company and Jay Leveton (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on September 16, 2021).
10.12 10.12†	Employment Agreement, dated as of September 12, 2021, by and between the Company and Ryan Greene (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed on September 16, 2021).
10.13 10.13†	Employment Agreement between the Company and Vincenzo DiMaggio, dated as of May 8, 2018 (incorporated by reference to Exhibit 10.8 to the Company's 10-K filed on March 18, 2019).
10.14 10.14†	MDC Partners Inc. 2011 Stock Incentive Plan, as approved and adopted by the shareholders of the Company on June 1, 2011 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on June 1, 2011).
10.15 10.15†	Stagwell Inc. Second Amended and Restated 2016 Stock Incentive Plan (incorporated by reference to Exhibit 4.3 to the Company's Form S-8 filed on June 14, 2022).
10.1 10.15 10.16†	Form of Financial Performance-Based Restricted Stock Unit Grant Agreement.*
10.15.2†	Form of Time-Based Restricted Stock Unit Grant Agreement.*
10.15.3†	Form of Financial Performance-Based Restricted Stock Grant Agreement (2021) (incorporated by reference to Exhibit 10.14 to the Company's Form 10-Q filed on November 9, 2021).
10.1 10.167†	Stagwell Inc. 2023 Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.3 to the Company's Form S-8 filed on March 7, 2023).
10.17†	Form of Indemnification Agreement with Directors and Officers (incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed November 7, 2022).
10.18 10.18†	Stagwell Inc. Non-Employee Director Compensation Policy. (incorporated by reference to Exhibit 10.20 to the Company's Form 10-K filed March 17, 2022).
21	Subsidiaries of Registrant*
23 23.1	Consent of Independent Registered Public Accounting Firm Deloitte & Touche LLP*
23.2	Consent of Independent Registered Public Accounting Firm PricewaterhouseCoopers LLP*
24	Power of Attorney (included on the signature pages to this Form 10-K)*
31.1	Certification by Chief Executive Officer pursuant to Rules 13a - 14(a) and 15d - 14(a) under the Securities Exchange Act of 1934 and Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification by Chief Financial Officer pursuant to Rules 13a - 14(a) and 15d - 14(a) under the Securities Exchange Act of 1934 and Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification by Chief Executive Officer pursuant to 18 USC. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification by Chief Financial Officer pursuant to 18 USC. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
97	Stagwell Inc. Executive Compensation Clawback Policy.*
101	Interactive Data File, for the period ended December 31, 2022 December 31, 2023. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.*
104	Cover Page Interactive Data File. The cover page XBRL tags are embedded within the inline XBRL document and are included in Exhibit 101.*

* Filed electronically herewith.

† Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

STAGWELL INC.

/s/ Frank Lanuto

Frank Lanuto

Chief Financial Officer and Authorized

Signatory

March 6, 2023 11, 2024

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Frank Lanuto and Vincenzo DiMaggio, jointly and severally, his or her attorney-in-fact, with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

STAGWELL INC.

/s/ Mark Penn

Mark Penn

Chairman of the Board and Chief Executive Officer (Principal Executive Officer)

March 6, 2023 11, 2024

/s/ Frank Lanuto

Frank Lanuto

Chief Financial Officer (Principal Financial Officer)

March 6, 2023 11, 2024

/s/ Vincenzo DiMaggio

Vincenzo DiMaggio

Chief Accounting Officer (Principal Accounting Officer)

March 6, 2023 11, 2024

/s/ Charlene Barshefsky

Ambassador Charlene Barshefsky

Director

March 6, 2023 11, 2024

/s/ Bradley Gross

Bradley Gross

Director

March 6, 2023 11, 2024

/s/ Wade Oosterman

Wade Oosterman

Director

March 6, 2023 11, 2024

/s/ Desirée Rogers

Desirée Rogers

Director

March 6, 2023 11, 2024

/s/ Eli Samaha

Eli Samaha

Director

March 6, 2023 11, 2024

/s/ Irwin D. Simon

Irwin D. Simon

Lead Independent Director

March 6, 2023 11, 2024

/s/ Rodney Slater

Secretary Rodney Slater

Director

March 6, 2023 11, 2024

/s/ Brandt Vaughan

Brandt Vaughan

Director

March 6, 2023 11, 2024

Exhibit 10.3 4.3

DESCRIPTION OF Securities registered pursuant to section 12 of the securities exchange act of 1934

AMENDMENT NO. 3 TO As of December 31, 2023, Stagwell Inc. (the "Company," "we," "us" and "our") had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, its Class A common stock, par value \$0.001 per share. The following description of our capital stock is a summary and does not purport to be complete. This summary is qualified by, and should be read in conjunction with, the complete text of our Second Amended and Restated Certificate of Incorporation (the "Second A&R Certificate of Incorporation") and Amended and Restated Bylaws (the "A&R Bylaws"), each of which is filed as an exhibit to the Annual Report on Form 10-K of which this exhibit forms a part and is incorporated herein by reference, and applicable Delaware law, including the General Corporation Law of Delaware, as amended (the "DGCL").

AMENDED AND RESTATED CREDIT

General

The Second A&R Certificate of Incorporation authorizes 1,000,000,000 shares of Class A common stock, par value \$0.001 per share, 250,000,000 shares of Class C common stock, par value \$0.00001 per share, and 200,000,000 shares of Preferred Stock, par value \$0.001 per share.

Common Stock

Voting Rights

Each holder of (i) Class A common stock is entitled to one vote and (ii) Class C common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. In any uncontested election of directors, each person receiving a majority of the votes cast shall be elected. In any contested election of directors, the persons receiving a plurality of the votes cast shall be elected. Accordingly, holders of a majority of the voting power are able to elect all of the directors of the Company, subject to the rights, if any, of holders of any series of preferred stock to elect additional directors under specific circumstances. Unless otherwise required by law, other actions by the stockholders will be authorized by the affirmative vote of holders of a majority of the voting power of the capital stock present in person or by proxy at the meeting such action is taken.

Dividends

Subject to preferences that may be applicable to any then outstanding shares of any series of preferred stock, holders of shares of Class A common stock are entitled to receive dividends, if any, as may be declared from time to time by the Company's Board of Directors (the "Board") out of legally available funds. Holders of shares of Class C common stock are not entitled to receive dividends. Declaration and payment of any dividend are subject to the discretion of the Board and may be paid in cash, in property or in shares of common stock.

Liquidation

In the event of the Company's liquidation, dissolution or winding up, holders of Class A common stock are entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of the Company's debts and other liabilities and the satisfaction of any liquidation preference or other similar rights granted to the holders of any then outstanding shares of any series of preferred stock.

Rights and Preferences

Holders of common stock have no preemptive, subscription or other rights, and there are no redemption or sinking fund provisions applicable to shares of common stock. The rights, preferences and privileges of the holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that the Company may designate.

Conversion and Transfer

Holders of Class C common stock have the right, at their election, to convert such shares of Class C common stock, together with such shares' corresponding economic interest in a subsidiary of the Company, into shares of Class A common stock on a one-to-one basis. Shares of Class C common stock are not transferable except together with such corresponding economic interest.

Fully Paid and Nonassessable

The Company's shares of capital stock are fully paid and non-assessable. **Preferred Stock**

The Certificate of Incorporation authorizes the Board from time to time to create one or more series of preferred stock by resolution and, with respect to each such series, to fix the number of shares constituting such series and the designations, powers, preferences, rights, qualifications, limitations and restrictions in respect of the shares of such series, without vote or action by the Company's stockholders.

The Company has no current plan to issue any shares of preferred stock.

Annual Stockholder Meetings

The A&R Bylaws provide that annual stockholder meetings will be held at a date, place (if any) and time as exclusively selected by the Board. To the extent permitted under applicable law, the Company may, but is not obligated to, conduct annual stockholder meetings by remote communications, including by webcast.

Anti-Takeover Effects of Provisions of the Second A&R Certificate of Incorporation, A&R Bylaws and Delaware Law

Some provisions of Delaware law and the Second A&R Certificate of Incorporation and A&R Bylaws could make the following transactions difficult: acquisition of the Company by means of a tender offer, merger or otherwise; or removal of incumbent officers and directors of the Company by means of a proxy contest or otherwise. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in the best interests of the Company, including transactions that might result in a premium over the market price for the Class A common stock.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of the Company to first negotiate with the Board. We believe that the benefits of the Company's potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure the Company outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Undesignated Preferred Stock

The ability to authorize undesignated preferred stock makes it possible for the Board to issue shares of preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of the Company. Such provision may have the effect of deterring hostile takeovers or delaying changes in control or management of the Company.

Special Stockholder Meetings

The Second A&R Certificate of Incorporation and the A&R Bylaws provide that a special meeting of stockholders may be called only by the Chairman of the Board or the majority of the whole Board. This may limit the ability of stockholders to take action between annual meetings without the prior approval of the Board.

Stockholder Action by Written Consent

Until the first date on which Stagwell Media LP and certain permitted transferees, directly or indirectly, cease to beneficially own, in the aggregate, shares of common stock representing at least thirty percent (30%) of the Company's voting power, the Second A&R Certificate of Incorporation permits stockholders to take action by written consent.

Requirements for Advance Notification of Stockholder Nominations and Proposals and Proxy Access

The A&R Bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the Board or a committee of the Board.

Composition of the Board; Election and Removal of Directors

Directors are elected until their respective successors are duly elected and qualified or until their earlier death, resignation or removal. At each annual meeting of the Company, directors are elected to one-year terms.

Subject to the rights, if any, of holders of any series of preferred stock with respect to removal without cause of directors elected by such holders, directors may be removed with or without cause at any time by the holders of a majority of the shares of capital stock entitled to vote at a meeting of stockholders.

Directors are elected by the vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, except if, as of the date that is 14 days before the Company files its definitive proxy statement (regardless of whether or not thereafter revised or supplemented) with the Securities and Exchange Commission, the number of director nominees exceeds the number of directors to be elected, in which case directors on the Board are elected by the vote of a plurality of the votes cast. Unless plurality voting shall have applied to the election, any director who receives a greater number of "against" votes than votes "for" election, the Board decides whether to accept or reject the resignation that was submitted upon his or her election, or whether other action should be taken. The Board acts on such recommendation within 90 days following certification of the election results.

Exclusive Forum

The Second A&R Certificate of Incorporation provides that, unless the Company consents in writing to the selection of an alternative forum, and subject to applicable jurisdictional requirements, the Court of Chancery of the State of Delaware is the exclusive forum (or if the Court of Chancery of the State of Delaware lacks jurisdiction, then another court of the State of Delaware or, if no court of the State of Delaware has jurisdiction, then the United States District Court for the District of Delaware) for: (a) any derivative action or proceeding brought on behalf of the Company; (b) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee or stockholder of the Company to the Company or the Company's stockholders; (c) any action or proceeding asserting a claim arising pursuant to any provision of the DGCL (or any successor provision thereto) or as to which the DGCL (or any successor provision thereto) confers jurisdiction on the Court of Chancery of the State of Delaware; (d) any action or proceeding asserting a claim against the Company or any current or former director, officer or other employee of the Company arising pursuant to any provision of the DGCL, the Second A&R Certificate of Incorporation or the A&R Bylaws (as each may be amended from time to time); (e) any action asserting a claim governed by the internal affairs doctrine; or (f) any other action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL. The exclusive forum provision does not apply to suits brought to enforce a duty or liability created by the Exchange Act, or any rules or regulations promulgated thereunder, or any other claim for which the United States federal courts have exclusive jurisdiction.

The Second A&R Certificate of Incorporation further provides that the federal district courts of the United States of America are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with the Company or its directors, officers or other matters pertaining to the Company's internal affairs, and may discourage lawsuits with respect to such claims. Alternatively, if a court were to find these provisions of the Second A&R Certificate of Incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, the Company may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect its business, results of operations or financial condition.

Business Combinations Involving Interested Stockholders

In general, Section 203 of the DGCL ("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 date that such person became an interested stockholder, unless (i) the board of directors of the corporation has approved, prior to the time the person became an interested stockholder, either the business combination or the transaction that resulted in the person becoming an interested stockholder, (ii) upon consummation of the transaction that resulted in the person becoming an interested stockholder, the person owns at least 85% of the corporation's voting stock (excluding shares owned by directors who are also officers and shares owned by employee stock plans in which participants do not have the right to determine confidentially whether shares subject to the plan will be tendered in a tender or exchange offer) or (iii) after the person or entity becomes an interested stockholder, the business combination is approved by the board of directors and authorized at a meeting of stockholders by the affirmative vote of at least 66-2/3% of the outstanding voting stock not owned by the interested stockholder. Generally, a "business combination" is defined to include a merger, consolidation, a sale of assets and other transactions resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person that owns (or is

an affiliate or associate of the corporation and within the prior three years did own) 15% or more of a corporation's voting stock and the affiliates and associates of any such person.

Section 203 provides that these restrictions do not apply if, among other things, the corporation's certificate of incorporation contains a provision expressly electing not to be governed by Section 203. The Second A&R Certificate of Incorporation opts out of Section 203 until the first date on which Stagwell Media LP and its permitted transferees, directly or indirectly, cease to beneficially own, in the aggregate, shares of common stock representing at least five percent (5%) of the Company's voting power. From and after such date, the Company shall be governed by Section 203 so long as Section 203 by its terms would apply to the Company.

Corporate Opportunities Waiver

Directors (the "Exempted Persons") have no duty to refrain from (i) engaging directly or indirectly in the same or similar business activities or lines of business that the Company does, (ii) doing business with any potential or actual customer or supplier of the Company or (iii) employing or otherwise engaging any officer or employee of the Company. In the event that any Exempted Person acquires knowledge of a potential transaction or matter that may be a corporate opportunity for him or herself or another person and us, the Company will not have any expectancy in the corporate opportunity, and no Exempted Person will have any duty to communicate or offer the corporate opportunity to us and may pursue or acquire such corporate opportunity for himself or herself or direct such opportunity to another person. In addition, Exempted Persons will be expressly permitted to act in their own best interest and will be under no obligation to take any action in their capacity as a director that prefers the interest of the Company over their own self-interest. Exempted Persons will further be expressly permitted to use information they acquired as a director that enhanced their knowledge and understanding of the industries in which the Company operates in making investment or voting decisions relating to non-Company entities or securities.

Limitations of Liability and Indemnification Matters

The Second A&R Certificate of Incorporation contains provisions that limit the liability of directors for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by Delaware law. Consequently, directors will not be personally liable to the Company or its stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- a. any breach of the director's duty of loyalty to the Company or its stockholders;
- b. any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- c. willful or negligent declaration and payment of unlawful dividends, or unlawful share purchases or redemptions; or
- d. any transaction from which the director derived an improper personal benefit.

The A&R Bylaws provide that the Company is required to indemnify its directors and officers, in each case to the fullest extent permitted by Delaware law. The A&R Bylaws also obligate the Company to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding. In addition, the Company enters into agreements with Company directors and officers to indemnify such directors and officers. With specified exceptions, these agreements provide for indemnification against all liability and loss suffered and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement by any of these individuals in any action, suit or proceeding, to the fullest extent permitted by applicable law. We believe that these provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. Also, the Company maintains directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in the Second A&R Certificate of Incorporation and A&R Bylaws may discourage stockholders from bringing a lawsuit against Company directors and officers for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against Company directors and officers, even though an action, if successful, might benefit the Company and its stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent that the Company pays the costs of settlement or damages.

Uncertificated Shares

The shares of common stock are uncertificated, and holders of common stock do not have the right to require the Company to issue certificates for their shares.

FINANCIAL PERFORMANCE-BASED
RESTRICTED STOCK UNIT GRANT AGREEMENT AND AMENDMENT NO. 2 TO SECURITY AGREEMENT [2024][Year]
[Name] (“Grantee”)

THIS **AMENDMENT NO. 3 TO AMENDED AND RESTATED CREDIT RESTRICTED STOCK UNIT GRANT AGREEMENT AND AMENDMENT NO. 2 TO SECURITY AGREEMENT**, dated (the “Agreement”) is made as of December 14, 2022 (this “**Amendment**” [Date] (the “Grant Date”), is among STAGWELL MARKETING GROUP LLC (“**between StagwellMarketing**” Inc., a Delaware corporation (the “Company”), STAGWELL GLOBAL LLC (“**and Grantee**.”

WHEREAS Stagwell Global”), MAXXCOM LLC (“**Maxxcom**”; together with Stagwell Marketing and Stagwell Global, each individually, a “**Borrower**” and collectively, the “**Borrowers**”), the Company has adopted the 2016 Stock Incentive Plan (as amended, the “Plan”) for the purpose of providing employees and consultants of the Company and eligible non-employee directors of the Board of Directors of the Company a proprietary interest in pursuing the long-term growth, profitability and financial success of the Company (except as otherwise expressly set forth herein, capitalized terms used in this Agreement shall have the definitions set forth in the Plan);

WHEREAS, the Human Resources & Compensation Committee (the “Committee”) of the Board of Directors has determined that it is in the best interests of the Company to make the award set forth herein, which award will vest upon achievement by the Company of the specified financial growth target during the financial performance period of [January 1, 2024][Beginning of three-year performance period] through [December 31, 2026][End of three-year performance period] and the other **Loan Parties party hereto**, conditions provided herein; and

WHEREAS, pursuant to the **Lenders party hereto**, Plan, the **Issuing Banks party hereto** Committee has determined to grant an Other Stock-Based Award to the Grantee in the form of restricted stock units of shares of Class A common stock, subject to the terms, conditions and JPMORGAN CHASE BANK, N.A., as Administrative Agent (together with its successors) limitations provided herein, including achievement of the financial performance target, and assigns, in the “**Administrative Agent**” Plan (the “**Restricted Stock Units**”).

WITNESSETH NOW, THEREFORE, the parties hereto agree as follows:

WHEREAS, reference is made to (a) that certain Amended and Restated Credit Agreement, dated as **1. Grant of August 2, 2021, as amended by that certain Amendment No. 1 to Amended and Restated Credit Agreement, dated as of December 20, 2021, and by that certain Amendment No. 2 to Amended and Restated Credit Agreement, dated as of April 28, 2022 (the “Restricted Stock Units Existing Credit Agreement”)**, among the Borrowers, the other Loan Parties party thereto, the Lenders party thereto, and the Administrative Agent and (b) that certain Second Amended and Restated Pledge and Security Agreement (including any and all supplements thereto), dated as of August 2, 2021, as amended by that certain Amendment No. 2 to Amended and Restated Credit Agreement, dated as of April 28, 2022 (the “**Existing Security Agreement**”) among the Loan Parties and the Administrative Agent, for the benefit of the Administrative Agent and the other Secured Parties;

WHEREAS, **1.1** The Company hereby grants to the **Borrowers have advised Grantee**, on the **Administrative Agent terms** and **Lenders** that they would like conditions set forth in this Agreement, the number of Restricted Stock Units set forth under the Grantee's name on the signature page hereto (the “**20__ Restricted Stock Unit Award**”). Each Restricted Stock Unit shall represent the right to enter into certain receivables financing arrangements; receive one issued and outstanding share of the Class A common stock of the Company, but shall be subject to the restrictions, conditions and other terms set forth in this Agreement and in the Plan.

WHEREAS, **1.2** The Grantee's rights with respect to the **Borrowers Restricted Stock Units** and the shares underlying the **20__ Restricted Stock Unit Award** shall not vest and shall remain forfeitable at all times prior to the Vesting Date, subject to the occurrence of a Permitted Acceleration Event (each as defined below). At any time, reference to the **20__ Restricted Stock Unit Award** shall be deemed to be a reference to the Restricted Stock Units granted under Section 1.1 that have **requested** neither vested nor been forfeited pursuant to the terms of this Agreement.

1.3 This Agreement shall be construed in accordance with, and subject to, the terms of the Plan (the provisions of which are incorporated herein by reference).

2. Rights of Grantee.

With respect to the Restricted Stock Units awarded hereunder, the Grantee shall have no rights as a stockholder of the Company (including the right to vote or receive dividends) with respect to any shares of Class A common stock of the Company until the date of issuance to the Grantee of a certificate or other evidence of ownership representing such shares of Class A common stock in settlement thereof. In addition, dividend equivalents will not be paid or payable with respect to the Restricted Stock Units, except as provided in Section 5 of this Agreement. Prior to the Vesting Date, the Grantee shall not be entitled to transfer, sell, pledge, hypothecate or assign any portion of the Restricted Stock Units or the shares underlying such Restricted Stock Units (collectively, the “**Transfer Restrictions**”).

3. Vesting; Lapse of Restrictions.

3.1 The **20__ Restricted Stock Unit Award** shall vest, and the Transfer Restrictions shall lapse, on [Three-year anniversary of grant date] (the “**Vesting Date**”), solely to the extent (A) the Company achieves the performance

thresholds set forth below in Section 3.3, as determined by the Committee on or prior to the Vesting Date (the date of such determination, the "Determination Date"), and (B) the Grantee continues to serve as an employee of the Company through the Vesting Date (the "Service Condition"); provided, however, that the Lenders 20__ Restricted Stock Unit Award shall vest, and the Administrative Agent agree Transfer Restrictions with respect to amend certain provisions the 20__ Restricted Stock Unit Award shall lapse, if sooner, as the result of any Permitted Acceleration Event, as provided below. "Permitted Acceleration Event" means one of the Existing Credit Agreement following: (i) termination of Grantee's employment by the Company without Cause or by the Grantee for Good Reason (solely to permit the extent Grantee and the Company are parties to an employment agreement that defines Good Reason) or (ii) the Grantee's death or Disability (as defined herein).

In the event that Grantee's employment is terminated (i) by the Company without Cause, or (ii) by the Grantee for Good Reason, a number of Restricted Stock Units under the 20__ Restricted Stock Unit Award shall vest (A) if such financing arrangements termination occurs within one (1) year following the occurrence of a Change of a Control, on the termination date, in an amount equal to the full number of Restricted Stock Units under the 20__ Restricted Stock Unit Award, and (B) if such termination does not occur within one (1) year following the occurrence of a Change of a Control, on the Vesting Date, in an amount equal to the product of (x) the number of Restricted Stock Units under the 20__ Restricted Stock Unit Award that would otherwise performance vest in accordance with Section 3.3 hereof, if any, and (y) a fraction, the numerator of which shall be the number of full months of service completed by the Grantee from the Grant Date through the termination date, and the denominator of which shall be 36.

In the event of Grantee's death or Disability, the full number of Restricted Stock Units under the 20__ Restricted Stock Unit Award shall vest on the date of death or Disability.

3.2 Upon the earliest of (i) any termination of the Grantee for Cause, (ii) resignation by the Grantee without Good Reason, or (iii) the failure by the Company to achieve the Minimum Performance Threshold, as provided determined by the Committee on the Determination Date, the 20__ Restricted Stock Unit Award shall be forfeited and automatically transferred to and reacquired by the Company at no cost to the Company, and neither the Grantee nor any heirs, executors or successors of such Grantee shall thereafter have any right or interest in such Restricted Stock Units or the shares of Class A common stock underlying such Restricted Stock Units.

3.3 The 20__ Restricted Stock Unit Award shall performance vest (but not satisfy the Service Condition) based upon the Company's level of achievement of ["Adjusted Profit"] [Other Financial Performance Target] (as defined below) during the performance period commencing on [Beginning of three-year performance period] and ending on [End of three-year performance period] (the "Performance Period"), as described in this Section 3.3. All determinations required to be made hereunder shall be made by the Committee:

For the Performance Period, as determined on the Determination Date:

(i) If the Company achieves [Adjusted Profit] for herein; the Performance Period in an amount equal to or greater than [120%] of the Performance Target (the "Maximum Performance Threshold"), then [120%] of the 20__ Restricted Stock Unit Award shall performance vest on the Vesting Date;

(ii) If the Company achieves [Adjusted Profit] for the Performance Period in an amount equal to or greater than [80%] of the Performance Target (the "Minimum Performance Threshold") but less than the Maximum Performance Threshold, then a prorated amount between [80%] and [120%] of the 20__ Restricted Stock Unit Award shall performance vest on the Vesting Date, determined based on straight-line interpolation for [Adjusted Profit] between the Minimum Performance Threshold and the Maximum Performance Threshold; and

WHEREAS, subject (iii) If the Company achieves [Adjusted Profit] for the Performance Period in an amount less than the Minimum Performance Threshold, then no part of the 20__ Restricted Stock Unit Award shall performance vest pursuant to certain conditions, the Lenders and the Administrative Agent are willing to agree to such amendments to the Existing Credit Agreement. this Section 3.3.

NOW, THEREFORE, In the parties hereto hereby covenant and agree as follows: event of a Change of Control, 100% of the 20__ Restricted Stock Unit Award shall performance vest (but not satisfy the Service Condition).

ARTICLE I DEFINITIONS

SECTION 1.1. Definitions. For purposes of the foregoing, the following terms shall have the meanings indicated below. Capitalized terms used in this Amendment Agreement but not defined herein shall have the meanings ascribed thereto meaning assigned to them in the Credit Agreement. Plan.

- a. **"Adjusted Profit"** shall mean Adjusted EBITDA for the Performance Period as reported in the Company's public filings, but excluding the effect of any acquisition made during the Performance Period of an entity with more than \$100 million in annual net revenue prior to such acquisition, plus the gain or loss on dispositions of assets; provided, however, that the Committee shall retain discretion to make appropriate adjustments to Adjusted Profit for extraordinary events in accordance with the Plan. [Other financial performance metric.]
- b. **"Cause"** shall have the meaning set forth in the Grantee's employment agreement with the Company. If such term is not defined in the Grantee's employment agreement, then Cause means the Grantee's termination by reason of (i) his/her continued or willful failure substantially to perform his/her duties for the Company, (ii) his/her willful and serious misconduct in connection with the performance of his/her duties for the Company, (iii) the Grantee's conviction of, or entering a plea of guilty to, a crime that constitutes a felony or a crime involving moral turpitude, (iv) his/her fraudulent or dishonest conduct or (v) his/her material breach of any of his/her obligations or covenants under any written policies of the Company or any written agreement between such Grantee and the Company.
- c. **"Change in Control"** shall have the meaning set forth in Section 2(d) of the Plan.
- d. **"Disability"** shall have the meaning set forth in the Grantee's employment agreement. If such term is not defined in the Grantee's employment agreement, then Disability means the inability of the Grantee to have performed the Grantee's material duties due to a physical or mental injury, infirmity or incapacity for one hundred eighty (180) consecutive days (including weekends and holidays) in any 365-day period, as determined by the Company in its reasonable discretion.
- e. **"Employment Agreement"** shall mean the Participant's applicable employment agreement with the Company.
- f. **"Good Reason"** shall have the meaning set forth in the Grantee's employment agreement with the Company, and if not so defined shall be inapplicable.
- g. **"Performance Target"** shall mean Adjusted Profit equal to [\$1.325 billion][target amount set for Performance Period]; provided, however, that the Committee shall retain discretion to make appropriate adjustments to the Performance Target, including adjustments to take into account any asset disposition. [Other financial performance metric target.]

ARTICLE II AMENDMENTS 4. **Escrow and Delivery of Shares.**

4.1 Certificates (or an electronic "book entry") representing those shares of Class A common stock issued in settlement of Restricted Stock Units in respect of which the Transfer Restrictions have lapsed pursuant to Section 3 hereof shall be delivered to the Grantee as soon as practicable following the Vesting Date.

4.2 The Grantee, or the executors or administrators of the Grantee's estate, as the case may be, may receive, hold, sell or otherwise dispose of those shares of Class A common stock delivered to them pursuant to Section 4.1 free and clear of the Transfer Restrictions, but subject to compliance with all federal and state securities laws.

5. **Dividends.** All dividend equivalents declared and paid by the Company on Restricted Stock Units shall be deferred until the lapsing of the Transfer Restrictions pursuant to Section 3. The deferred dividend equivalents shall be held by the Company for the account of the Grantee until the Vesting Date, at which time the dividend equivalents, with no interest thereon, shall be paid to the Grantee. Upon the forfeiture of the Restricted Stock Units pursuant to Section 3, any deferred dividend equivalents shall be forfeited to the Company.

6. **No Right to Continued Retention.** Nothing in this Agreement or the Plan shall be interpreted or construed to confer upon the Grantee any right with respect to continuance as an employee of the Company or any of its affiliates. Nothing in this Agreement or the Plan shall be interpreted or construed to confer upon the Grantee any right to receive additional grants of restricted stock units or other types of equity grants from the Company or any of its affiliates.

7. **Adjustments Upon Change in Capitalization.** If, by operation of Section 10 of the Plan, the Grantee shall be entitled to new, additional or different shares of stock or securities of the Company or any successor Company or entity or other property, such new, additional or different shares or other property shall thereupon be subject to all of

Exhibit 10.15.1

the conditions and restrictions which were applicable to the Restricted Stock Units immediately prior to the event and/or transaction that gave rise to the operation of Section 10 of the Plan.

SECTION 2.1. 8. **Amendments to Existing Credit Modification of Agreement** Effective as of the Third Amendment Effective Date (as defined below), each of the parties hereto agrees that the Existing Credit Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) Except as set forth in the document attached as Exhibit A Plan and herein, this Agreement may be modified, amended, suspended or terminated, and any terms or conditions may be waived, but only by a written instrument executed by the parties hereto, (the Existing Credit provided that the Company may amend this Agreement as so amended, to correct (i) any errors or (ii) any inconsistencies with the "Credit Agreement"), approval of the 20__ Restricted Stock Unit Award by the Committee or its delegatee.

SECTION 2.2. 9. **Amendments to Existing Security Agreement Severability.**

A. The last paragraph Should any provision of Article II of the Existing Security Agreement is hereby amended by inserting the text underlined below and deleting the text stricken below to read in its entirety as follows:

Notwithstanding anything contained in this Agreement the term "Collateral" shall not include, and no Grantor is granting be held by a security interest hereunder in: (i) any right, title, or interest in any license, contract, license agreement, lease, permit, agreement or shareholder or similar agreement covering real or personal property court of any Grantor or any of its right, title or interest thereunder to the extent, but only to the extent, that under the terms of such license, contract, license agreement, lease, permit, agreement or shareholder or similar agreement or under applicable law with respect thereto, the grant of a security interest or lien therein is prohibited as a matter of law or would under the terms of such license, contract, license agreement, lease, permit, agreement or shareholder or similar agreement result in the breach of the terms of, or constitute a default under, such license, contract, license agreement, lease, permit, agreement or shareholder or similar agreement, (ii) any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law, provided that upon submission to and acceptance by the PTO of evidence of use pursuant to 15 U.S.C. Section 1051 (or any successor provision), such intent-to-use trademark application shall be considered Collateral, (iii) Equity Interests in any CFC Holdco or in any foreign Person other than (x) 65% of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and (y) to the extent not prohibited by applicable Requirements of Law, 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 case, in each CFC Holdco that is a Material Foreign Subsidiary and Material Foreign Subsidiary directly owned by Grantor and (iv) any accounts receivable, payables or securitization assets and related assets under a Permitted Receivables Financing and any related collection accounts thereto.

B. Section 4.9 of the Existing Security Agreement is hereby amended by deleting the section in its entirety and replacing it with the following:

"4.9 Letter-of-Credit Rights. If any Grantor is or becomes the beneficiary of a letter of credit having a face amount or value in excess of \$500,000 in the aggregate, such Grantor shall promptly, and in any event within five (5) Business Days after becoming a beneficiary, notify the Administrative Agent thereof and use commercially reasonable efforts to cause the issuer and/or confirmation bank

to (i) consent to the assignment of any Letter-of-Credit Rights to the Administrative Agent and (ii) agree to direct all payments thereunder to a Deposit Account at the Administrative Agent for application to the Secured Obligations, in accordance with Section 2.18 of the Credit Agreement, all in form and substance reasonably satisfactory to the Administrative Agent."

C. Section 4.14 of the Existing Security Agreement is hereby amended by deleting the section in its entirety and replacing it with the following:

"4.14 [Reserved]."

D. Section 5.2(a)(iii) of the Existing Security Agreement is hereby amended by deleting the section in its entirety and replacing it with the following:

"(iii) give notice of sole control or any other instruction under any control agreement with any securities intermediary and take any action therein with respect to such Collateral;"

ARTICLE III CONDITIONS TO EFFECTIVENESS

SECTION 3.1. Effective Date. The effectiveness of this Amendment shall be subject to the satisfaction or waiver of the following conditions precedent (the date upon which this Amendment becomes effective, the "Third Amendment Effective Date"):

A. Execution. Administrative Agent shall have received (i) a counterpart signature page of this Amendment duly executed by each of the Loan Parties and (ii) a counterpart signature page of this Amendment from each Lender constituting the Required Lenders.

B. Representations and Warranties. After giving effect to this Amendment, the representations and warranties of the Loan Parties set forth in Article III of the Credit Agreement and in each other Loan Document are true and correct in all material respects on and as of the Third Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties were true and correct in all material respects on and as of such earlier date.

C. No Event of Default. As of the Third Amendment Effective Date (and after giving effect to the waivers set forth herein), no event has occurred and is continuing or would immediately result from the effectiveness of the Amendment that would constitute an Event of Default or a Default.

D. Payment of Fees and Expenses. The Lenders and the Administrative Agent shall have received all fees required **competent jurisdiction** to be paid, and all expenses required to be reimbursed **unenforceable or invalid** for which invoices have been presented (including **any reason**, the reasonable fees and expenses of legal counsel), on or before the Third Amendment Effective Date.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

3

SECTION 4.1. Representations and Warranties. To induce the Administrative Agent, and Lenders to execute and deliver this Amendment and to provide the waivers set forth herein, each Loan Party hereby represents and warrants to each Lender on the Third Amendment Effective Date that:

A. each representation and warranty of the Loan Parties set forth in Article III of the Credit Agreement and in each other Loan Document is true and correct in all material respects on and as of the Third Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representation and warranty specifically relates to an earlier date, in which case such representation and warranty was true and correct in all material respects on and as of such earlier date;

B. no event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment that would constitute an Event of Default or a Default; and

C. the execution, delivery, performance or effectiveness of this Amendment will not

(a) impair the validity, effectiveness or priority of the Liens granted pursuant to any Loan Document, and such Liens continue unimpaired with the same priority to secure repayment of all of the applicable Obligations, whether heretofore or hereafter incurred, or (b) require that any new filings be made or other action taken to perfect or to maintain the perfection of such Liens.

ARTICLE V MISCELLANEOUS

SECTION 5.1. Cross-References. References in this Amendment to any Article or Section are, unless otherwise specified, to such Article or Section of this Amendment.

SECTION 5.2. Headings. Article and Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

SECTION 5.3. Loan Document Pursuant to Credit Agreement. This Amendment is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated therein) be construed, administered and applied in accordance with all of the terms and provisions of the Credit Agreement.

SECTION 5.4. Successors and Assigns. The remaining provisions of this Amendment Agreement shall not be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 5.5. Counterparts. This Amendment may be executed in counterparts (and affected by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy electronically (e.g., pdf) shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution", "signed", "signature", "delivery" and words of like import in this Amendment shall be deemed to be of the same legal effect, validity or enforceability as a manually executed

signature or the use of a paper-based record keeping 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.

SECTION 5.6. Governing Law. **THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

SECTION 5.7. Jurisdiction; Waiver of Jury Trial. The provisions of Sections 9.09 and 9.10 of the Credit Agreement pertaining to consent to jurisdiction, service of process, and waiver of jury trial are hereby incorporated by reference herein, *mutatis mutandis*.

SECTION 5.8. Full Force and Effect; Limited Amendment. Except as expressly amended hereby, all of the representations, warranties, terms, covenants, conditions and other provisions of the Credit Agreement and the other Loan Documents shall remain unchanged such holding and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. The amendment set forth herein shall be limited precisely as provided for herein to the provisions expressly amended herein and shall not be deemed to be an amendment to, waiver of, consent to or modification of any other terms or provisions of the Credit Agreement or any other Loan Document or of any transaction or further or future action on the part of the Loan Parties which would require the consent of

the Lenders under the Credit Agreement or any of the Loan Documents. Upon and after the execution of this Amendment by each of the parties hereto, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as modified hereby.

[10. Signature pages follow]

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IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first above written.

BORROWERS: STAGWELL MARKETING GROUP LLC

By: /s/ Jay Leveton Name: Jay Leveton
Title: Vice President

STAGWELL GLOBAL LLC

By: /s/ Jay Leveton
Name: Jay Leveton
Title: President

MAXXCOM LLC

By: /s/ Frank Lanuto
Name: Frank Lanuto
Title: Authorized Person

GUARANTORS:

STAGWELL MARKETING GROUP HOLDINGS LLC
STAGWELL PERFORMANCE MARKETING & DIGITAL
TRANSFORMATION LLC
PMX AGENCY LLC SKDKNICKERBOCKER LLC
CODE AND THEORY (SF) LLC MEDIACURRENT
INTERACTIVE SOLUTIONS, LLC
RHYTHM INTERACTIVE LLC STAGWELL MARKET
RESEARCH LLC SCOUT MARKETING LLC
MULTI-VIEW HOLDINGS INC. MULTI-VIEW,
INC.
CONTENT MANAGEMENT CORPORATION GRASON AGENCY
LLC
TARGETED VICTORY, LLC TARGETED
HOLDINGS LLC FORWARDPMX GROUP LLC
STAGWELL MARKETING COMMUNICATIONS
LLC THE SEARCH AGENCY INC.
STAGWELL PERFORMANCE MARKETING INC.
GRASON AGENCY GROUP LLC SLOANE &
COMPANY LLC KETTLE SOLUTIONS LLC MMI
AGENCY, LLC
CODE AND THEORY SOUTH AMERICA LLC
TRUELOGIC SOFTWARE LLC
As to all of the above

By: /s/ Ryan Greene
Name: Ryan Greene
Title: Authorized Person

MDC CORPORATE (US) LLC ANOMALY PARTNERS LLC A-ALLIANCE LLC
CRISPIN PORTER & BOGUSKY LLC TARGETCAST LLC
GALE PARTNERS LLC Y MEDIA LABS LLC
72ANDSUNNY PARTNERS, LLC COLLE & MCVOY LLC CONCENTRIC PARTNERS
LLC DONER PARTNERS LLC
HPR PARTNERS, LLC YAMAMOTO, LLC
UNIQUE INFLUENCE PARTNERS LLC ALLEGORY LLC
ANOMALY PARTNERS LA LLC MONO ADVERTISING, LLC 72ANDSUNNY MIDCO LLC
As to all of the above

By: /s/ Frank Lanuto
Name: Frank Lanuto
Title: Authorized Person

CODE AND THEORY LLC

HARRIS INSIGHTS AND ANALYTICS LLC HARRISX LLC
NATIONAL RESEARCH GROUP, INC.
As to all of the above

By: /s/ Peter McElligott
Name: Peter McElligott
Title: Authorized Person

JPMORGAN CHASE BANK, N.A., individually, and as Administrative Agent and a Lender

/s/ Daniel K. Reagle
Name: Daniel K. Reagle
Title: Authorized Signer

[JPMC/Stagwell – Third Amendment to A&R Credit Agreement]

CITIZENS BANK, N.A., as a Lender

By: /s/ Jamie Salas
Name: Jamie Salas
Title: SVP

[JPMC/Stagwell – Third Amendment to A&R Credit Agreement]

BANK OF AMERICA, N.A., as a Lender

By: /s/ Ena Ukachi
Name: Ena Ukachi
Title: Senior Vice President

[JPMC/Stagwell – Third Amendment to A&R Credit Agreement]

FIFTH THIRD BANK, NATIONAL
ASSOCIATION, as a Lender

By: /s/ Ryan Sonkin
Name: Ryan Sonkin
Title: Associate

[JPMC/Stagwell – Third Amendment to A&R Credit Agreement]

M&T BANK, as a Lender

By: /s/ Drake Staniar
Name: Drake Staniar
Title: Senior Vice President

[JPMC/Stagwell- Third Amendment to A&R Credit Agreement]

WELLS FARGO BANK, N.A., as a Lender and an Issuing Bank

By:/s/ Kevin Valenta
Name: Kevin Valenta
Title: Director

[JPMC/Stagwell – Third Amendment to A&R Credit Agreement]

Exhibit A

(see attached)

~~EXECUTION VERSION~~

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of August 2, 2021,

as amended by Amendment No. 1, dated as of December 20, 2021, as amended by Amendment No. 2, dated as of April 28, 2022,

as amended by Amendment No. 3, dated as of December 14, 2022,

among

STAGWELL MARKETING GROUP LLC,

STAGWELL GLOBAL LLC (f/k/a MIDAS OPCO HOLDINGS LLC), and MAXXCOM LLC,

as Borrowers,

The other parties from time to time party hereto as Borrowers, The other Loan Parties from time to time party hereto,

The Lenders Party Hereto and

JPMORGAN CHASE BANK, N.A.,

as Administrative Agent, and

THE OTHER AGENTS PARTY HERETO

JPMORGAN CHASE BANK, N.A., WELLS FARGO SECURITIES, BANK OF AMERICA,

N.A. and CITIZENS BANK, N.A.

as Joint Bookrunners and Joint Lead Arrangers, and

M&T BANK and FIFTH THIRD BANK, NATIONAL ASSOCIATION

as Co-Documentation Agents

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AMENDED AND RESTATED CREDIT AGREEMENT dated as of August 2, 2021 (as it may be amended or modified from time to time, this "Agreement"), among STAGWELL MARKETING GROUP LLC ("Stagwell Marketing"), STAGWELL GLOBAL LLC (f/k/a MIDAS OPCO HOLDINGS LLC) ("Stagwell Global"), MAXXCOM LLC ("Maxxcom"; together with Stagwell Marketing, Stagwell Global and Maxxcom, each individually and collectively, a "Borrower" and the "Borrowers" as the context requires), the other Loan Parties party hereto, the Lenders party hereto, and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

WHEREAS, Stagwell Marketing, as Borrower (the "Existing Borrower"), the other Loan Parties party thereto, the Lenders party thereto (the "Existing Lenders") and the Administrative Agent are parties to that certain Credit Agreement dated as of November 18, 2019 (the "Original Effective Date") (as amended, restated, supplemented, or otherwise modified from time to time prior to the Restatement Date, the "Existing Credit Agreement"), pursuant to which the Existing Lenders have agreed to make available to the Borrower certain loans and other financial accommodations;

WHEREAS, in connection with the Existing Credit Agreement, the Existing Borrower and certain of its affiliates executed and delivered the Collateral Documents (as defined in the Existing Credit Agreement) in favor of the Administrative Agent to secure the payment and performance of the Obligations (as defined in the Existing Credit Agreement);

WHEREAS, the Borrowers, the other Loan Parties, the Lenders, and the Administrative Agent wish to amend and restate the Existing Credit Agreement, subject to the terms and conditions set forth herein; and

WHEREAS, (i) the Borrowers, the other Loan Parties, the Lenders, and the Administrative Agent intend that (a) this Agreement amend and restate the Existing Credit Agreement without causing a substitution, refinancing or novation of the existing obligations thereunder, and (b) the Existing Borrower's and the Loan Parties' obligations under the Existing Credit Agreement shall continue to exist under, and to be evidenced by, this Agreement and (ii) each Loan Party (as defined herein) acknowledges and agrees that the security interests and Liens (as defined in the Existing Credit Agreement) granted to the Administrative Agent pursuant to the Existing Credit Agreement and the Collateral Documents (as defined in the Existing Credit Agreement), shall remain outstanding and in full force and effect, without interruption or impairment of any kind, in accordance with the Existing Credit Agreement, and shall continue to secure the Obligations (as defined herein);

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the Borrowers, the other Loan Parties, the Lenders, and the Administrative Agent agree that the Existing Credit Agreement shall be amended and restated in its entirety as follows:

ARTICLE I

Definitions

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SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bear interest at a rate determined by reference to the Alternate Base Rate. All ABR Loans shall be denominated in Dollars.

"Account" has the meaning assigned to such term in the Security Agreement. "Account Debtor" means any Person obligated on an Account.

“Acquisition” means any transaction, or any series of related transactions, consummated on or after the Restatement Date, by which any Loan Party (a) acquires any going business or all or substantially all of the assets of any Person, whether through purchase of assets, merger or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the Equity Interests of a Person which has ordinary voting power for the election of directors or other similar management personnel of a Person (other than Equity Interests having such power only by reason of the happening of a contingency) or a majority of the outstanding Equity Interests of a Person.

“Additional Currency LC Disbursement” means a payment made by the Issuing Bank pursuant to an Additional Currency Letter of Credit.

“Additional Currency LC Exposure” means, at any time, the sum of (a) the aggregate amount of all Additional Currency Letters of Credit at such time plus (b) the aggregate amount of all Additional Currency LC Disbursements that have not yet been reimbursed by or on behalf of a Borrower at such time.

“Additional Currency Letter of Credit” means a Letter of Credit to be issued by the Issuing Bank in an Alternative Currency that has been agreed among the Borrowers, the applicable Issuing Bank and the Administrative Agent after the First Amendment Effective Date.

“Additional Lender” means, at any time, any bank, other financial institution or investor that, in any case, is not an existing Lender, but would not be prohibited to become party hereto as a Lender through assignment, and that agrees to provide any portion of any increase in the Revolving Commitments in accordance with Section 2.09; provided that each Additional Lender shall be subject to the approval of the Administrative Agent (such approval not to be unreasonably withheld, delayed or conditioned), to the extent any such consent would be required from Agent under Section 9.04 for an assignment of Loans to such Additional Lender.

“Adjusted Daily Simple SOFR” means an interest rate per annum equal to (a) the Daily Simple SOFR, plus (b) 0.10%.

“Adjusted EURIBOR Rate” means, with respect to any Term Benchmark Borrowing denominated in Euro for any Interest Period, an interest rate per annum equal to (a) the EURIBOR Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; provided

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that, if the Adjusted EURIBOR Rate shall be less than 0.00%, such rate shall be deemed to be 0.00%.

“Adjusted Term SOFR Rate” means for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, plus (b) 0.10%.

“Administrative Agent” means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder.

“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 a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the specified Person.

“Aggregate Credit Exposure” means, at any time, the aggregate Credit Exposure of all the Lenders at such time.

“Aggregate Revolving Exposure” means, at any time, the aggregate Revolving Exposure of all the Lenders at such time (with the Swingline Exposure of each Lender calculated assuming that all of the Lenders have funded their participations in all Swingline Loans outstanding at such

time).

“Agreed Currencies” means Dollars and each Alternative Currency.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus $\frac{1}{2}$ of 1%, and (c) the Adjusted Term SOFR Rate for a one-month Interest Period as published two (2) U.S. Government Securities Business Days prior to such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m. Chicago time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.14(b)), then the Alternate Base Rate shall be the greater of clause (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

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“Alternative Currency” means Sterling or Euro, or, with respect to Letters of Credit only, Saudi Riyal and any additional currencies determined after the First Amendment Effective Date by mutual agreement of the Borrowers, the applicable Issuing Bank and the Administrative Agent..

“Amendment No. 2 Effective Date” means April 28, 2022

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to any Borrower or any Affiliate of any Borrower from time to time concerning or relating to bribery or corruption.

“Anti-Terrorism Laws” means all laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such Laws, all as amended, supplemented or replaced from time to time.

“Applicable Parties” has the meaning assigned to it in Section 9.01(d).

“Applicable Percentage” means, at any time with respect to any Lender, a percentage equal to a fraction the numerator of which is such Lender’s Revolving Commitment at such time and the denominator of which is the aggregate Revolving Commitments at such time (provided that, if the Revolving Commitments have terminated or expired, the Applicable Percentages shall be determined based upon such Lender’s share of the Aggregate Revolving Exposure at such time); provided that, in accordance with Section 2.20, so long as any Lender shall be a Defaulting Lender, such Defaulting Lender’s Commitment shall be disregarded in the calculations above.

“Applicable Rate” means, for any day, with respect to any ABR Loan or Term Benchmark Revolving Loan, RFR Revolving Loan or CBR Loan, or with respect to the Letter of Credit Fee and the Commitment Fee payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “ABR Spread”, “Term Benchmark Spread”, “RFR Spread”, “CBR Spread” or “Commitment Fee”, as the case may be, based upon the Company’s Total Leverage Ratio as of the most recent determination date, provided that until the delivery to the Administrative Agent, pursuant to Section 5.01, of the Company’s consolidated financial information for the Company’s first fiscal quarter ending after the Restatement Date, the “Applicable Rate” shall be the applicable rates per annum set forth below in Category 4:

<u>Total Leverage Ratio</u>	<u>ABR Spread</u>	<u>Term Benchmark Spread</u>	<u>RFR Spread</u>	<u>CBR Spread</u>	<u>Commitment Fee</u>
<u>Category 1</u> < 1.75 to 1.0	0.5000%	1.5000%	1.5326%	1.5326%	0.1500%
<u>Category 2</u> >_ 1.75 to 1.0 but < 2.75 to 1.0	0.7500%	1.7500%	1.7826%	1.7826%	0.2000%
<u>Category 3</u> >_ 2.75 to 1.0 but	1.0000%	2.0000%	2.0326%	2.0326%	0.2500%

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< 3.75 to 1.0					
<u>Category 4</u> >_ 3.75 to 1.0	1.2500%	2.2500%	2.2826%	2.2826%	0.3000%

For purposes of the foregoing, (a) the Applicable Rate shall be determined as of the end of each fiscal quarter of the Company, based upon the Company's annual or quarterly consolidated financial statements delivered pursuant to [Section 5.01](#) and (b) each change in the Applicable Rate resulting from a change in the Total Leverage Ratio shall be effective during the period commencing on and including the date of delivery to the Administrative Agent of such consolidated financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change, provided that at the option of the Administrative Agent or at the request of the Required Lenders, if the Borrowers fail to deliver the annual or quarterly consolidated financial statements required to be delivered by it pursuant to [Section 5.01](#), the Total Leverage Ratio shall be deemed to be in Category 4 during the period from the expiration of the time for delivery thereof until such consolidated financial statements are delivered.

If at any time the Administrative Agent determines that the financial statements upon which the Applicable Rate was determined were incorrect (whether based on a restatement, fraud or otherwise) or any ratio or compliance information in a Compliance Certificate or other certification was incorrectly calculated, relied on incorrect information or was otherwise not accurate, true or correct, the Borrowers shall be required to retroactively pay any additional amount that the Borrowers would have been required to pay if such financial statements, Compliance Certificate or other information had been accurate and/or computed correctly at the time they were delivered.

"Approved Electronic Platform" has the meaning assigned to it in [Section 9.01\(d\)](#). "Approved Fund" has the meaning assigned to the term in [Section 9.04\(b\)](#).

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by [Section 9.04](#)), and accepted by the Administrative Agent, in the form of [Exhibit A](#) or any other form (including electronic records generated by the use of an electronic platform) approved by the Administrative Agent.

"Assumed Tax Liability" means, with respect to any member of the Company as of any Tax Distribution Date, an amount equal to the federal, state and local income taxes (including any applicable estimated taxes) reasonably estimated in good faith would be due from such member for all taxable periods (or portions thereof) of ending on such Tax Distribution Date, (i) assuming such member were a corporation who earned solely the items of income, gain, deduction, loss, and/or credit allocated to such member for such taxable periods (or portions thereof) and (ii) assuming that such member is subject to tax at the Assumed Tax Rate. For purposes of determining the Assumed Tax Liability of any member, any adjustments by reason of Sections 734 or 743 of the Code shall not be taken into account.

"Assumed Tax Rate" means, for any taxable period, the highest marginal effective rate of federal, state, local and non-U.S. income tax applicable to PublicCo for such taxable period.

"Available Amount Basket" means, as of any date of determination (the "AvailableAmount Reference Date"), an amount equal to, without duplication:

(a) the greater of (i) 25% of EBITDA for the trailing four fiscal quarter period and (ii) \$80,000,000;

plus

(b) 50% of Net Income for such trailing four fiscal quarter period (which shall not be less than zero);

less

(c) an amount equal to the sum, without duplication, of the following:

(i) the aggregate amount of all investments made by any Borrower or any Subsidiary pursuant to Section 6.04(c)(B) and Section 6.04(n), in each case, after the Amendment No. 2 Effective Date and prior to the Available Amount Reference Date during such trailing four fiscal quarter period in reliance on the Available Amount Basket; plus

(ii) the aggregate amount of all Restricted Payments made by any Loan Party or any Subsidiary pursuant to Section 6.08(a)(vi) after the Amendment No. 2 Effective Date and prior to the Available Amount Reference Date during such trailing four fiscal quarter period in reliance on the Available Amount Basket; plus

(iii) the aggregate amount of all loans or advances made by any Loan Party to any Subsidiary or any Affiliate of a Loan Party or any joint venture of a Loan Party and made by any Subsidiary or any Affiliate to a Loan Party or any other Subsidiary pursuant to Section 6.04(d)(B) after the Amendment No. 2 Effective Date and prior to the Available Amount Reference Date during such trailing four fiscal quarter period in reliance on the Available Amount Basket; plus

(iv) the aggregate amount of all Guarantees constituting Indebtedness permitted by Section 6.01 that are given pursuant to Section 6.04(e) after the Amendment No. 2 Effective Date and prior to the Available Amount Reference Date during such trailing four fiscal quarter period in reliance on the Available Amount Basket;

provided, that, the amount of Restricted Payments, investments, loans or advances, and Guarantees permitted to be made in respect of any fiscal year under the Available Amount Basket shall be (x) determined on a quarterly basis and (y) increased by the unused amount of the Available Amount Basket that was permitted to be made during the two immediately preceding fiscal years, without giving effect to any carryover amount from any prior fiscal year. The Available Amount Basket in any fiscal year shall be deemed to use first, the amount carried

forward to such fiscal year from the year ended two years prior to such fiscal year, and second, the amount carried forward to such fiscal year from the immediately prior fiscal year.

“Availability” means, at any time, an amount equal to (a) the aggregate Revolving Commitments *minus* (b) the Aggregate Revolving Exposure (calculated, with respect to any Defaulting Lender, as if such Defaulting Lender had funded its Applicable Percentage of all outstanding Borrowings).

“Availability Period” means the period from and including the Restatement Date to but excluding the earlier of the Revolving Credit Maturity Date and the date of termination of the Revolving Commitments.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (f) of Section 2.14.

“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, regulation, rule 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).

“Banking Services” means (a) each and any of the following bank services provided to any Loan Party or any Subsidiary by any Persons that are or were at the time of entering into the relevant Banking Services Lenders or their respective Affiliates: (i) credit cards for commercial customers (including, without limitation, “commercial credit cards” and purchasing cards), (ii) stored value cards, (iii) merchant processing services, and (iv) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, any direct debit scheme or arrangement, overdrafts and interstate depository network services) and (b) the bank services provided to any Loan Party or any Subsidiary set forth on Schedule 1.01 as of the Restatement Date.

“Banking Services Obligations” means any and all obligations of the Loan Parties or their Subsidiaries, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

“Bankruptcy Event” means, with respect to any Person, when such Person becomes the subject of a voluntary or involuntary bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business, appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, or has had any order for relief in such proceeding entered in respect thereof, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the U.S. or from the enforcement of judgments or writs of attachment on its assets or permits such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Benchmark” means, initially, with respect to any (i) RFR Loan in any Agreed Currency, the applicable Relevant Rate for such Agreed Currency or (ii) Term Benchmark Loan, the Relevant Rate for such Agreed Currency; provided that if a Benchmark Transition Event and the related Benchmark Replacement Date have occurred with respect to the applicable Relevant Rate or the then-current Benchmark for such Agreed Currency, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 2.14.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the Adjusted Daily Simple SOFR; and

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower Representative as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Agreed Currency at such time in the United States and (b) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

(a) “Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent

and the Borrower Representative for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Currency at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement and/or any Term Benchmark Loan, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides in its reasonable discretion and in good faith may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines in good faith that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides in good faith is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Replacement Date” means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the

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Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the central bank for the Agreed Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14.

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“Beneficial Ownership Certification” means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“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.

“Borrower” or “Borrowers” means, individually and collectively as the context may require, the Company and each Person from time to time who becomes party hereto as a borrower pursuant to Section 5.14.

“Borrower Representative” has the meaning assigned to such term in Section 11.01.

“Borrowing” means (a) Revolving Loans of the same Type made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect, and (b) a Swingline Loan.

“Borrowing Request” means a request by the Borrower Representative for a Borrowing in accordance with Section 2.03, which shall be substantially in the form of Exhibit B hereto or any other form approved by the Administrative Agent.

“Burdensome Restrictions” means any consensual encumbrance or restriction of the type described in clause (a) or (b) of Section 6.10.

“Business Combination” means the contribution by Stagwell Media LP to Stagwell Global of 100% of the membership interests of Holdings in exchange for the issuance by Stagwell Global to Stagwell Media LP of a majority of the outstanding equity interests of Stagwell Global in consideration for such contribution and the related transactions, and including the termination of the MDC Credit Agreement Documents, each as further detailed and described in the MDC Acquisition Documents and substantially in the form of the steps outlined in that certain slide deck titled “Project Midas – Transaction Step Plan”, dated as of June 21, 2021, attached hereto as Exhibit E.

“Business Day” means:

(a) for all purposes of this Agreement (other than purposes expressly set forth in clauses (b) and (c) of this definition), any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Term Benchmark Loan, the term “Business Day” shall also exclude any day on which banks are not open for general business in London;

(b) solely for the purposes of Borrowing Requests and interest rate settings as to a Sterling Loan and any fundings, disbursements, settlements and payments of any Sterling Loan, any day other than (i) a day on which commercial banks are authorized to close under the laws of, or are in fact closed in London, England, and (ii) a day on which banks are not open for dealings in deposits in Sterling in the London interbank market; and

(c) solely for the purposes of interest rate settings as to a Euro Loan and any fundings, disbursements, settlements and payments of any Euro Loan, any day other than (i) a day on which commercial banks are authorized to close under the laws of, or are in fact closed in London, England, (ii) a day on which banks are not open for dealings in deposits in Euro in the London interbank market, and (iii) a day on which the TARGET2 payment system is not open for the settlement of payments in Euro.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases or financing leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"CBR Loan" means a Loan that bears interest at a rate determined by reference to the Central Bank Rate.

"Central Bank Rate" means, (A) the greater of (i) for any Loan denominated in (a) Sterling, the Bank of England (or any successor thereto)'s "Bank Rate" as published by the Bank of England (or any successor thereto) from time to time, and (b) Euro, one of the following three rates as may be selected by the Administrative Agent in its reasonable discretion: (1) the fixed rate for the main refinancing operations of the European Central Bank (or any successor thereto), or, if that rate is not published, the minimum bid rate for the main refinancing operations of the European Central Bank (or any successor thereto), each as published by the European Central Bank (or any successor thereto) from time to time, (2) the rate for the marginal lending facility of the European Central Bank (or any successor thereto), as published by the European Central Bank (or any successor thereto) from time to time or (3) the rate for the deposit facility of the central banking system of the Participating Member States, as published by the European Central Bank (or any successor thereto) from time to time and (ii) 0.00%; plus (B) the applicable Central Bank Rate Adjustment.

"Central Bank Rate Adjustment" means, for any day, for any Loan denominated in (a) Euro, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the EURIBOR Rate for the five most recent Business Days preceding such day for which the EURIBOR Screen Rate was available (excluding, from such averaging, the highest and the lowest EURIBOR Rate applicable during such period of five Business Days) minus (ii) the Central Bank Rate in respect of Euro in effect on the last Business Day in such period, and (a) Sterling, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of SONIA for the five most recent RFR Business Days preceding such day for which SONIA was available (excluding, from such averaging, the highest and the lowest SONIA applicable during such period of five RFR Business Days) minus (ii) the Central Bank Rate in

respect of Sterling in effect on the last RFR Business Day in such period. For purposes of this definition, (x) the term Central Bank Rate shall be determined disregarding clause (B) of the definition of such term and (y) the EURIBOR Rate on any day shall be based on the EURIBOR Screen Rate, as applicable, on such day at approximately the time referred to in the definition of such term for deposits in the applicable Agreed Currency for a maturity of one month (or, in the event the EURIBOR Screen Rate, as applicable, for deposits in the applicable Agreed Currency is not available for such maturity of one month, shall be based on the EURIBOR Interpolated Rate, as applicable, as of such time); provided that if such rate shall be less than 0.00%, such rate shall be deemed to be 0.00%.

“Cash Equivalents” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the U.S. (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the U.S.), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, bankers' acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the U.S. or any state thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$5,000,000,000.

“CFC” means a “controlled foreign corporation” within the meaning of Section 957 of the Code.

“CFC Holdco” means a domestic Subsidiary of a Borrower with no material assets other than capital stock (and debt securities, if any) of one or more foreign Subsidiaries that are CFCs, or of other CFC Holdcos.

“Change in Control” means (a) 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 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), other than one or more of the Permitted Holders, 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 Equity Interests 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 40% or more of the Equity Interests of PublicCo entitled to vote for members of the board of directors or equivalent governing body of PublicCo on a fully-diluted basis, (and taking into account all such Equity Interests that such person or group has the right to acquire pursuant to any option right); (b) PublicCo shall cease to Control the Company; (c) PublicCo and the Permitted Holders, individually or collectively, shall cease to own, directly or indirectly, free and clear of all Liens or other encumbrances 65% of the outstanding voting Equity Interests of the Company; (d) the occupation at any time of a majority of the seats (other than vacant seats) on the board of directors of the PublicCo by Persons who were neither (i) directors of PublicCo as of immediately following the

Restatement Date nor (ii) nominated, appointed, or approved by the board of directors of PublicCo; (e) the acquisition of direct or indirect Control of the Company by any Person or group other than PublicCo or one of more of the Permitted Holders; or (f) the Company shall cease to own, directly or indirectly, free and clear of all Liens or other encumbrances, the outstanding voting Equity Interests of the Guarantors owned as of the Restatement Date (except as otherwise permitted herein), in each case, on a fully diluted basis (or, in the case of any Guarantor acquired after the Restatement Date, at the time of the acquisition of such Guarantor).

“Change in Law” means the occurrence after the date of this Agreement (or, with respect to any Lender, such later date on which such Lender becomes a party to this Agreement) of any of the following: (a) the adoption of or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) compliance by any Lender or the Issuing Bank (or, for purposes of [Section 2.15\(b\)](#), by any lending office of such Lender or by such Lender’s or the Issuing Bank’s holding company, if any) with any request, guideline, requirement or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in the implementation thereof, and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the U.S. or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted, issued or implemented.

“Charges” has the meaning assigned to such term in [Section 9.17](#).

“Chase” means JPMorgan Chase Bank, N.A., a national banking association, in its individual capacity, and its successors.

“Class”, when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Swingline Loans, and (b) any Lender, refers to whether such Lender has a Loan or Commitment of a particular Class. Commitments (and, in each case, the Loans made pursuant to such Commitments) that have different terms and conditions shall be construed to be in different Classes. Commitments (and,

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in each case, the Loans made pursuant to such Commitments) that have identical terms and conditions shall be construed to be in the same Class.

“CME Term SOFR Administrator” means CME Group Benchmark Administration Limited as administrator of the forward-looking term SOFR (or a successor administrator).

“Code” means the Internal Revenue Code of 1986, as amended from time to time. “Collateral” means any and all property owned, leased or operated by a Person covered by the Collateral Documents and any and all other property of any Loan Party, now existing or hereafter acquired, that may at any time be, become or be intended to be, subject to a security interest or Lien in favor of the Administrative Agent, on behalf of itself and the Lenders and other Secured Parties, to secure the Secured Obligations, other than, for the avoidance of doubt, (i) any voting Equity Interests of a first tier CFC Holdco or Material Foreign Subsidiary in excess of 65% of the aggregate voting Equity Interests and (ii) no Collateral shall be created over any assets of (x) a CFC Holdco or Material Foreign Subsidiary and (y) any accounts receivable, payables or securitization assets and any related assets under a Permitted Receivables Financing and any related collection accounts thereto.

“Collateral Access Agreement” has the meaning assigned to such term in the Security Agreement.

“Collateral Documents” means, collectively, the Security Agreement, the Mortgages, if any, the Pledge Agreements, and any other agreements, instruments and documents executed in connection with this Agreement that are intended to create, perfect or evidence Liens to secure the Secured Obligations, including, without limitation, all other security agreements, pledge agreements, mortgages, deeds of trust, loan agreements, notes, guarantees, subordination agreements, pledges, powers of attorney, consents, assignments, contracts, fee letters, notices, leases, financing statements and all other written matter whether theretofore, now or hereafter executed by any Loan Party and delivered to the Administrative Agent.

“Commitment” means, with respect to each Lender, such Lender’s Revolving Commitment. The initial amount of each Lender’s Commitment is set forth on the Commitment Schedule, or in the Assignment and Assumption or other documentation or record (as such term is defined in Section 9102(a)(70) of the New York Uniform Commercial Code) as provided in Section 9.04(b)(ii)(C), pursuant to which such Lender shall have assumed its Commitment, as applicable.

“Commitment Schedule” means the Schedule attached hereto identified as such.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communications” has the meaning assigned to such term in Section 9.01(d).

“Company” means Stagwell Global.

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“Compliance Certificate” means a certificate of a Financial Officer of the Borrower Representative in substantially 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 Total Assets” means, as of any date of determination, the total amount of all assets of the Borrowers and their Subsidiaries, determined on a consolidated basis in accordance with GAAP.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Covered Party” has the meaning assigned to it in Section 9.21.

“Credit Exposure” means, as to any Lender at any time, such Lender’s Revolving Exposure at such time.

“Credit Party” means the Administrative Agent, the Issuing Bank, the Swingline Lender or any other Lender.

“Daily Simple RFR” means, for any day (an “RFR Interest Day”), an interest rate per annum equal to the greater of (a) for any RFR Loan denominated in Sterling, SONIA for the day that is 5 Business Days prior to (i) if such RFR Interest Day is a Business Day, such RFR Interest Day or (ii) if such RFR Interest Day is not a Business Day, the Business Day immediately preceding such RFR Interest Day (b) 0.00%. Any change in Daily Simple RFR due to a change in the applicable RFR shall be effective from and including the effective date of such change in the RFR without notice to the Borrowers, provided that the Administrative Agent shall promptly notify the Borrower Representative of such change.

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“Daily Simple SOFR” means, for any day (a “SOFR Rate Day”), a rate per annum equal to SOFR for the day (such day “SOFR Determination Date”) that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website; provided that if the Daily Simple SOFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower Representative.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“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 any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified any Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations as of the date of certification) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of (i) a Bankruptcy Event or (ii) a Bail-In Action.

“Disclosed Matters” means the actions, suits, proceedings and environmental matters disclosed in Schedule 3.06.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition (in one transaction or in a series of transactions and whether effected pursuant to a Division or otherwise) of any property by any Person (including any sale and leaseback transaction and any issuance of Equity Interests by a Subsidiary of such Person), 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.

“Disqualified Equity Interests” means, with respect to any Person, any Equity Interest that by its terms (or by the terms of any other Equity Interest into which it is convertible or exchangeable) or otherwise (a) matures or is subject to mandatory redemption or repurchase (other than solely for Equity Interests that are not Disqualified Equity Interests) 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 holder thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior payment in full of the Obligations (other than any Obligations which expressly survive termination) and termination of the Commitments); (b) is convertible into or exchangeable or exercisable for Indebtedness or any Disqualified Equity Interest at the option of the holder thereof; (c) may be required to be redeemed or repurchased at the option of the holder thereof (other than solely for Equity Interests that are not Disqualified Equity Interests), in whole or in part, in each case on or prior to the date that ninety (90) days after the Revolving Credit Maturity Date; or (d) provides for scheduled payments of dividends to be made in cash.

“Dividing Person” has the meaning assigned to it in the definition of “Division.”

“Division” means the division of the assets, liabilities and/or obligations of a Person (the “Dividing Person”) among two or more Persons (whether pursuant to a “plan of division” or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

“Division Successor” means any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

“Document” has the meaning assigned to such term in the Security Agreement.

“Dollars”, “dollars” or “\$” refers to lawful money of the United States of America.

“Dollar Equivalent Amount” means, at any time, (a) with respect to any amount denominated in dollars, such amount, (b) if such amount is expressed in an Alternative Currency, the equivalent of such amount in dollars determined by using the rate of exchange for the purchase of dollars with the Alternative Currency last provided (either by publication or otherwise provided to the Administrative Agent) by Reuters on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of dollars with the Alternative Currency, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters chosen by the Administrative Agent in its sole discretion (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion) and (c) if such amount is denominated in any other currency, the equivalent of such amount in dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion.

“Earn-outs” means unsecured liabilities arising under an agreement to make any contingent deferred payment as a part of the purchase price for a Permitted Acquisition, including cash and non-cash performance bonuses or consulting payments in any related

services, employment or similar agreement, in an amount that may be subject to or contingent upon the revenues, income, cash flow or profits (or the like) of the underlying target, in each case, to the extent that such deferred payment would be included as part of such purchase price.

“EBITDA” means, for any period, Net Income for such period (giving pro forma effect to the Net Income of any Permitted Acquisition made during such period as if such Permitted Acquisition had occurred on the first day of such period) plus (a) without duplication and to the extent deducted in determining Net Income for such period, the sum of (i) Interest Expense for such period, (ii) income tax expense for such period net of tax refunds, (iii) all amounts attributable to depreciation and amortization expense for such period, (iv) any non-recurring fees, cash charges and other cash expenses incurred in connection with Permitted Acquisitions (including, without limitation, in each case, diligence costs and legal fees); (v) accrued Earn-out expenses, (vi) restructuring charges, (vii) any other non-cash charges for such period (but excluding any non-cash charge in respect of an item that was included in Net Income in a prior period), (viii) purchase accounting adjustments (including, for the avoidance of doubt, any deferred revenue adjustments) set forth in or validated by any quality of earnings or valuation report prepared by independent registered public accountants of national standing or any other accounting or valuation firm reasonably satisfactory to the Administrative Agent in connection with a Permitted Acquisition in amounts acceptable to the Administrative Agent during the twelve month period following the consummation thereof, (ix) non-cash stock based compensation expenses, (x) non-cash impairment charges and non-cash deferred acquisition costs, and (xi) any accounting adjustment (positive or negative) relating to the deferred purchase price of property (including, without limitation, deferred consideration from a Permitted Acquisition) arising from Permitted Acquisitions or Permitted Investments (which, for avoidance of doubt, shall not include any adjustment described in clause (viii) above) minus (b) without duplication and to the extent included in Net Income, any extraordinary gains and any non-cash items of income for such period, all calculated for the Loan Parties on a consolidated basis in accordance with GAAP; provided that, the aggregate amount of any such adjustment or add-backs under subclauses (iv), (vi), (vii), and (viii) of clause (a) above shall not exceed 15% of EBITDA in any four fiscal quarter period (calculated before giving effect to any such add-backs and adjustments).

“ECP” means an “eligible contract participant” as defined in Section 1(a)(18) of the Commodity Exchange Act or any regulations promulgated thereunder and the applicable rules issued by the Commodity Futures Trading Commission and/or the SEC.

“EEA Financial Institution” means (a) any 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

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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 delegatee) having responsibility for the resolution of any EEA Financial Institution.

“Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Electronic System” means any electronic system, including e-mail, e-fax, web portal access for the Borrowers and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent and the Issuing Bank and any of its respective Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to (i) the environment, (ii) the preservation or reclamation of natural resources, (iii) the management, Release or threatened Release of any Hazardous Material or (iv) health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Loan Party or any Subsidiary directly or indirectly resulting from or based upon (a) any violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) any exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equipment” has the meaning assigned to such term in the Security Agreement.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing, but excluding any debt securities convertible into any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with a Borrower, is treated as a single employer under Section 414(b) or (c) of the Code

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or Section 4001(14) of ERISA or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the failure to satisfy the “minimum funding standard” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by any Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by any Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by any Borrower or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal of any Borrower or any ERISA Affiliate from any Plan or Multiemployer Plan; or (g) the receipt by any Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Borrower or any ERISA Affiliate of any notice, concerning the imposition upon any Borrower or any ERISA Affiliate of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent, in critical status, or in reorganization, within the meaning of Title IV of ERISA.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“EURIBOR Interpolated Rate” means, at any time, with respect to any Term Benchmark Borrowing denominated in Euro and for any Interest Period, the rate per annum (rounded to the same number of decimal places as the EURIBOR Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the EURIBOR Screen Rate for the longest period (for which the EURIBOR Screen Rate is available for Euro) that is shorter

than the Impacted EURIBOR Rate Interest Period; and (b) the EURIBOR Screen Rate for the shortest period (for which the EURIBOR Screen Rate is available for Euro) that exceeds the Impacted EURIBOR Rate Interest Period, in each case, at such time; provided that, if any EURIBOR Interpolated Rate shall be less than 0.00%, such rate shall be deemed to be 0.00% for the purposes of this Agreement.

“EURIBOR Rate” means, with respect to any Term Benchmark Borrowing denominated in Euro and for any Interest Period, the EURIBOR Screen Rate at approximately 11:00 a.m., Brussels time, two TARGET Days prior to the commencement of such Interest Period; provided that, if the EURIBOR Screen Rate shall not be available at such time for such Interest Period (an “Impacted EURIBOR Rate Interest Period”) with respect to Euro then the EURIBOR Rate shall be the EURIBOR Interpolated Rate.

“EURIBOR Screen Rate” means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement

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Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters as of 11:00 a.m. Brussels time two TARGET Days prior to the commencement of such Interest Period. If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Borrower. If the EURIBOR Screen Rate shall be less than 0.00%, the EURIBOR Screen Rate shall be deemed to be 0.00% for purposes of this Agreement.

“Euro” or “€” means the lawful currency of the Participating Member States.

“Euro LC Disbursement” means a payment made by the Issuing Bank pursuant to a Euro Letter of Credit.

“Euro LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Euro Letters of Credit at such time plus (b) the aggregate amount of all Euro LC Disbursements that have not yet been reimbursed by or on behalf of the Borrowers at such time.

“Euro Letter of Credit” means a Letter of Credit denominated in Euro.

“Euro Loans” means Revolving Loans made to the Borrowers denominated in Euro. “Euro Sublimit” means the Dollar Equivalent Amount of \$50,000,000.

“Euro Outstandings” means, at any time, the aggregate Dollar Equivalent Amount of all Euro Loans outstanding at such time.

“Event of Default” has the meaning assigned to such term in Article VII.

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an ECP at the time the Guarantee of such Guarantor or the grant of such security interest becomes or would become effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender,

its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in

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a Loan, Letter of Credit or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan, Letter of Credit or Commitment (other than pursuant to an assignment request by the Borrowers under [Section 2.19\(b\)](#)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to [Section 2.17](#), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan, Letter of Credit or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with [Section 2.17\(f\)](#) and (d) any withholding Taxes imposed under FATCA.

"Existing Credit Agreement" has the meaning assigned to such term in the recitals.

"Existing Letters of Credit" means the letters of credit listed on Schedule 1.01(b).

"FATCA" means Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Effective Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions, as determined in such manner as shall be set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate, provided that, if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Fee Letter" means that certain Fee Letter dated as of June 9, 2021 among the Administrative Agent and the Borrowers.

"Financial Officer" means the chief financial officer, president, principal accounting officer, treasurer or controller of a Borrower.

"Financial Statements" has the meaning assigned to such term in [Section 5.01](#). "Fixtures" has the meaning assigned to such term in the Security Agreement. "Flood Laws" has the meaning assigned to such term in [Section 8.10](#).

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the EURIBOR Rate, the Adjusted Term SOFR Rate, or the Adjusted Daily Simple SOFR, as applicable. For the avoidance of doubt, the initial Floor for

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each of the EURIBOR Rate, the Adjusted Term SOFR Rate or Adjusted Daily Simple SOFR shall be 0.00%

"Foreign Currency Loans" means Sterling Loans and Euro Loans.

"Foreign Currency Sublimit" means the Dollar Equivalent Amount of 100,000,000. **"Foreign LC Sublimit"** means the Dollar Equivalent of \$15,000,000.

"Foreign Lender" means (a) if a Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if a 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.

"Foreign Outstandings" means the Sterling Outstandings plus the Euro Outstandings. **"Funding Account"** has the meaning assigned to such term in Section 4.01(j).

"GAAP" means generally accepted accounting principles in the U.S.

"Governmental Authority" means the government of the United States of America, the United Kingdom, or any other nation or any political subdivision of any of the foregoing, whether state, province, territory or local, and any governmental, intergovernmental or supranational agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the **"guarantor"**) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the **"primary obligor"**) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guaranteed Obligations" has the meaning assigned to such term in Section 10.01.

"Guarantors" means all Loan Guarantors and all non-Loan Parties who have delivered an Obligation Guaranty, and the term **"Guarantor"** means each or any one of them individually.

"Hazardous Materials" means: (a) any substance, material, or waste that is included within the definitions of "hazardous substances," "hazardous materials," "hazardous waste," "toxic substances," "toxic materials," "toxic waste," or words of similar import in any Environmental Law; (b) those substances listed as hazardous substances by the United States

Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto); and (c) any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical.

"Holdings" means Stagwell Marketing Group Holdings LLC, a Delaware limited liability company.

"IBA" has the meaning assigned to such term in [Section 1.05](#).

"Impacted EURIBOR Rate Interest Period" has the meaning assigned to such term in the definition of "EURIBOR Rate."

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business on terms consistent with historical practices and accrued expenses in each case recorded in accordance with GAAP incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (k) obligations under any Liquidated Earn-out, (l) any other Off-Balance Sheet Liability, (m) obligations, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Swap Agreements, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction and (n) any Disqualified Equity Interests. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"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 the foregoing clause (a), Other Taxes.

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"Indemnitee" has the meaning assigned to such term in [Section 9.03\(b\)](#).

"Ineligible Institution" has the meaning assigned to such term in [Section 9.04\(b\)](#).

"Information" has the meaning assigned to such term in [Section 9.12](#).

"Interest Election Request" means a request by the Borrower Representative to convert or continue a Borrowing in accordance with [Section 2.08](#).

"Interest Expense" means, with reference to any period, total interest expense (including that attributable to Capital Lease Obligations) of the Company and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Company and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptances and net costs under Swap Agreements in respect of interest rates [and customary commissions, discounts, yield and other fees and charges \(including interest expense\) relating to any Permitted Receivables Financing, in each case](#), to the extent such net costs are allocable to such period in accordance with GAAP), calculated for the Company and its Subsidiaries on a consolidated basis for such period in accordance with GAAP.

"Interest Payment Date" means (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each March, June, September and December and the Revolving Credit Maturity Date, (b) with respect to any RFR Loan, (1) each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and (2) the Revolving Credit Maturity Date, (c) with respect to any Term Benchmark Loan, the

last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, and the Revolving Credit Maturity Date and (d) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Revolving Credit Maturity Date.

"Interest Period" means with respect to any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment for any Agreed Currency), as the Borrower Representative may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Term Benchmark Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period pertaining to a Term Benchmark Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to Section 2.14(f) shall be available for specification in such Borrowing Request or Interest Election Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is

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made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Inventory" has the meaning assigned to such term in the Security Agreement. "IRS" means the United States Internal Revenue Service.

"Issuing Bank" means, individually and collectively, each of Chase, in its capacity as the issuer of Letters of Credit hereunder, Wells Fargo, in its capacity as the issuer of certain of the Existing Letters of Credit, and any other Revolving Lender from time to time designated by the Borrower Representative as an Issuing Bank, with the consent of such Revolving Lender and the Administrative Agent, and their respective successors in such capacity as provided in Section 2.06(j). Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by any of its domestic or foreign subsidiaries, branches, offices or Affiliates, in which case the term "Issuing Bank" shall include any such subsidiary, branch, office or Affiliate, as the case may be, with respect to Letters of Credit issued by such subsidiary, branch, office or Affiliate (it being agreed that such Issuing Bank shall, or shall cause such subsidiary, branch, office or Affiliate to, comply with the requirements of Section 2.06 with respect to such Letters of Credit). At any time there is more than one Issuing Bank, all singular references to the Issuing Bank shall mean any Issuing Bank, either Issuing Bank, each Issuing Bank, the Issuing Bank that has issued the applicable Letter of Credit, or both (or all) Issuing Banks, as the context may require.

"Issuing Bank Sublimits" means, as of the Restatement Date, (i) \$10,000,000, in the case of Chase and (ii) such amount as shall be designated to the Administrative Agent and the Borrower Representative in writing by an Issuing Bank; provided that any Issuing Bank shall be permitted at any time to increase or reduce its Issuing Bank Sublimit upon providing five (5) days' prior written notice thereof to the Administrative Agent and the Borrowers.

"Joinder Agreement" means a Joinder Agreement in substantially the form of Exhibit E.

"Joint Lead Arranger" means each of JPMorgan Chase Bank, N.A., Bank of America, N.A., Wells Fargo Securities and Citizens Bank, N.A. each in its capacity as a joint lead arranger.

"LC Collateral Account" has the meaning assigned to such term in Section 2.06(j).

"LC Disbursement" means any payment made by an Issuing Bank pursuant to a Letter of

Credit.

“LC Exposure” means, at any time, the sum of the U.S. LC Exposure, the Sterling LC Exposure, the Euro LC Exposure, the Saudi Riyal LC Exposure, and the Additional Currency LC Exposure.

“Lender Parent” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

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“Lender-Related Person” has the meaning assigned to such term in [Section 9.03\(b\)](#).

“Lenders” means the Persons listed on the [Commitment Schedule](#) and any other Person that shall have become a Lender hereunder pursuant to an Assignment and Assumption, other than any such Person that ceases to be a Lender hereunder pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lender and the Issuing Bank.

“Letters of Credit” means the standby letters of credit issued pursuant to this Agreement and the Existing Letters of Credit, and the term “Letter of Credit” means any one of them or each of them singularly, as the context may require.

“Liabilities” means any losses, claims (including intraparty claims), demands, damages or liabilities of any kind.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Liquidated” means, with respect to any Earn-outs and other deferred consideration, (a) the obligation to pay and/or the calculation of the amount required to be paid is no longer contingent or based upon a Person, or any division, profit center or product line thereof achieving certain targeted performance levels established in the definitive documentation governing such Earn-out or deferred compensation, (b) such obligation has been finally computed in accordance with the definitive documentation governing such Earn-out or deferred compensation and (c) such obligation, in light of all the facts and circumstances existing at such time, has become a matured liability and is due and payable without delay under the terms and conditions of the definitive documentation governing such Earn-out or deferred compensation.

“Liquidity” means, for the Loan Parties, on a consolidated basis, the sum of (i) Availability plus (ii) the aggregate amount of their Qualified Cash.

“Loan Documents” means, collectively, this Agreement, each promissory note issued pursuant to this Agreement, any Letter of Credit application, each Collateral Document, each Compliance Certificate, the Loan Guaranty, any Obligation Guaranty, and each other agreement, instrument, document and certificate executed and delivered to, or in favor of, the Administrative Agent or any Lender and including each other pledge, power of attorney, consent, assignment, contract, notice, letter of credit agreement, letter of credit applications and any agreements between the Borrower Representative and the Issuing Bank regarding the Issuing Bank's Issuing Bank Sublimit or the respective rights and obligations between the Borrowers and the Issuing Bank in connection with the issuance of Letters of Credit, and each other written matter whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to the Administrative Agent or any Lender in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“Loan Guarantor” means each Loan Party.

“Loan Guaranty” means Article X of this Agreement.

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“Loan Parties” means, collectively, Holdings, the Borrowers, the Borrowers’ Material Domestic Subsidiaries (other than any Receivables Subsidiary), and any other Person who becomes a party to this Agreement pursuant to a Joinder Agreement and their respective successors and assigns, and the term “Loan Party” shall mean any one of them or all of them individually, as the context may require.

“Loans” means the loans and advances made by the Lenders pursuant to this Agreement, including Swingline Loans.

“Long-Term Debt” means any Indebtedness that, in accordance with GAAP, constitutes (or, when incurred, constituted) a long-term liability.

“Margin Stock” means margin stock within the meaning of Regulations T, U and X, as applicable.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of the Company and its Subsidiaries taken as a whole, (b) the ability of any Loan Party to perform any of its obligations under the Loan Documents to which it is a party, (c) the Collateral, or the Administrative Agent’s Liens (on behalf of itself and the other Secured Parties) on the Collateral or the priority of such Liens, or (d) the rights of or benefits available to the Administrative Agent, the Issuing Bank or the Lenders under any of the Loan Documents.

“Material Domestic Subsidiary” means each domestic Subsidiary (other than any CFC Holdco and any Receivables Subsidiary) (i) which, as of the most recently available fiscal quarter of the Borrowers, for the period of four consecutive fiscal quarters then ended, contributed greater than 2.5% of EBITDA (as defined below) for such period or (ii) which contributed greater than 2.5% of consolidated total assets of the Company and its Subsidiaries as such date; provided that, if at any time the aggregate amount of EBITDA or consolidated total assets attributable to all domestic Subsidiaries (other than any CFC Holdco) that are not Material Domestic Subsidiaries exceeds 10.0% of EBITDA for any such period or 10.0% of consolidated total assets as of the end of any such fiscal quarter, the Borrowers (or, in the event the Borrowers have failed to do so within ten (10) days, the Administrative Agent) shall designate sufficient subsidiaries as “Material Domestic Subsidiaries” to eliminate such excess, and such designated Subsidiaries shall for all purposes of the definitive documentation constitute Material Domestic Subsidiaries.

“Material Foreign Subsidiary” means each CFC Holdco or (unless it is a subsidiary of a CFC Holdco) first tier foreign subsidiary which, as of the most recently available fiscal quarter

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of the Borrowers, for the period of four consecutive fiscal quarters then ended, contributed greater than 10.0% of EBITDA (as defined below) for such period.

“Material Indebtedness” means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of a Borrower and their respective Subsidiaries in an aggregate principal amount exceeding \$5,000,000 and at all times shall include Indebtedness outstanding under the MDC Notes Documents. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of a Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Material Real Property” means any real property with a fair market value in excess of \$25,000,000.

“Material Subsidiaries” means, collectively, the Material Domestic Subsidiaries and the Material Foreign Subsidiaries, if any.

“Maxxcom” has the meaning assigned to such term in the recitals. **“Maximum Rate”** has the meaning assigned to such term in Section 9.17.

“MDC Credit Agreement” means that certain Second Amended and Restated Credit Agreement dated as of May 3, 2016, by and among Stagwell Global (as successor by conversion of MDC Partners Inc., a corporation continued under the laws of Canada), Maxxcom (as successor by conversion of Maxxcom Inc., a Delaware corporation), as borrower, and each of the subsidiaries of Stagwell Global identified on the signature pages thereof.

“MDC Credit Agreement Documents” means the MDC Credit Agreement and all other documents executed and delivered in connection therewith.

“MDC Indenture” means that certain Indenture dated March 23, 2016, among Stagwell Global (as successor by conversion of MDC Partners Inc., a corporation continued under the laws of Canada), the Note Guarantors party thereto, and the MDC Notes Trustee, pursuant to which the MDC Notes are issued or any indenture issued in respect of any refinancing of the MDC Notes permitted under Section 6.01(g).

“MDC Notes” means the \$900 million 6.500% Senior Notes due 2024 issued under the MDC Indenture as the same may be refinanced as permitted under Section 6.01(g) from time to time.

“MDC Notes Documents” means the MDC Indenture, the MDC Notes, and all other documents executed and delivered in connection with therewith.

“MDC Notes Trustee” means The Bank of New York Mellon, a New York banking corporation, as trustee under the MDC Indenture or any trustee in respect of an MDC Indenture issued in respect of any refinancing of the MDC Notes permitted under Section 6.01(g).

“MDC Notes Maturity Date” means May 1, 2024 or the maturity date of any MDC Notes as the same may be refinanced as permitted under Section 6.01(g) from time to time.

“MDC Transaction Agreement” means the Transaction Agreement, dated as of December 21, 2020 between, among others, Stagwell Media LP, Stagwell Blocker LLC, and Stagwell Global (as successor by conversion of MDC Partners Inc., a corporation continued under the laws of Canada), as amended on June 4, 2021.

“MDC Transaction Documents” means, collectively, the MDC Transaction Agreement and each other document, instrument, certificate and agreement executed and delivered in connection therewith.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Mortgage**” means any mortgage, deed of trust or other agreement which conveys or evidences a Lien in favor of the Administrative Agent, for the benefit of the Administrative Agent and the other Secured Parties, on real property of a Loan Party, including any amendment, restatement, modification or supplement thereto.

“**Multiemployer Plan**” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“**Net Income**” means, for any period, the consolidated net income (or loss) determined for the Company and its Subsidiaries, on a consolidated basis in accordance with GAAP; provided that, for all purposes, there shall be (a) excluded (i) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the Company or any Subsidiary, (ii) the undistributed earnings of any Subsidiary, to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary, (iii) any non-recurring fees, cash charges and other cash expenses (including transaction fees and costs and expenses and, for the avoidance of doubt, any capital gains taxes and exit taxes associated with re-domestication in connection with the Transactions (including, without limitation, in each case, diligence costs and legal and other professional advisor fees)) in connection with the Transactions, (iv) any accretion on convertible preference shares and preferred interest on instruments that are only convertible to equity, and (v) any extraordinary or non-recurring gains or losses from any sales, transfers, leases or other dispositions permitted under Section 6.05 and (b) included any net income attributable to non-controlling interests.

“**Net Proceeds**” means, with respect to any event, (a) the cash proceeds received in respect of such event including (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, (ii) in the case of a casualty, insurance proceeds and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, minus (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid to third parties (other than Affiliates) in connection with such event, (ii) in the

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case of a Disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay Indebtedness (other than Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event and (iii) the amount of all taxes paid (or reasonably estimated to be payable) and the amount of any reserves established to fund contingent liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to such event (as determined reasonably and in good faith by a Financial Officer of the Company).

“**Non-Consenting Lender**” has the meaning assigned to such term in Section 9.02(d). “**Note Guarantors**” has the meaning assigned to such term in the MDC Indenture. “**NYFRB**” means the Federal Reserve Bank of New York.

“**NYFRB’s Website**” means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

“**NYFRB Rate**” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“**Obligated Party**” has the meaning assigned to such term in Section 10.02.

“Obligation Guaranty” means any Guarantee of all or any portion of the Secured Obligations executed and delivered to the Administrative Agent for the benefit of the Secured Parties by a guarantor who is not a Loan Party.

“Obligations” means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Loan Parties to any of the Lenders, the Administrative Agent, the Issuing Bank or any indemnified party, individually or collectively, existing on the Restatement Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Loans made or reimbursement or other obligations incurred or any of the Letters of Credit or other instruments at any time evidencing any thereof.

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“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Off-Balance Sheet Liability” of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any indebtedness, liability or obligation under any so-called “synthetic lease” transaction entered into by such Person, or (c) any indebtedness, liability or obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person (other than operating leases).

“Original Effective Date” means November 18, 2019.

“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 Taxes (other than a connection arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit, or any Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to [Section 2.19](#)).

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Term Benchmark borrowings denominated in Dollars by U.S.-managed banking offices of depository institutions (as such composite rate shall be determined by the NYFRB as set forth on the NYFRB’s Website from time to time) and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“Overnight Rate” means, for any day, (a) with respect to any amount denominated in Dollars, the NYFRB Rate and (b) with respect to any amount denominated in an Alternative Currency, an overnight rate determined by the Administrative Agent or the Issuing Banks, as the case may be, in accordance with banking industry rules on interbank compensation.

“Paid in Full” or **“Payment in Full”** means, (i) the indefeasible payment in full in cash of all outstanding Loans, together with accrued and unpaid interest thereon, (ii) the indefeasible payment in full in cash of the accrued and unpaid fees, (iii) the indefeasible payment in full in cash of all reimbursable expenses and other Secured Obligations (other than Unliquidated Obligations for which no claim has been made and other

obligations expressly stated to survive such payment and termination of this Agreement), together with accrued and unpaid interest thereon, (iv) the termination of all Commitments, and (vi) the termination of the Swap

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Agreement Obligations and the Banking Services Obligations or entering into other arrangements satisfactory to the Secured Parties counterparties thereto.

“Parent” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“Participant” has the meaning assigned to such term in Section 9.04(c). “Participant Register” has the meaning assigned to such term in Section 9.04(c).

“Participating Member State” means any member State of the European Communities that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

“Payment Recipient” has the meaning assigned to it in Section 8.13(a).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Acquisition” means any Acquisition by any Loan Party in a transaction that satisfies each of the following requirements:

(a) such Acquisition is not a hostile or contested acquisition;

(b) the business acquired in connection with such Acquisition is (i) located in the U.S. (other than business and assets that, in the aggregate, contribute no more than 25% of the aggregate EBITDA (determined on a trailing 12 month basis)), (ii) organized under applicable U.S. and state laws, and (iii) not engaged, directly or indirectly, in any line of business other than the businesses in which the Loan Parties are engaged on the Restatement Date and any business activities that are substantially similar, related, or incidental thereto;

(c) both before and after giving effect to such Acquisition and the Loans (if any) requested to be made in connection therewith, each of the representations and warranties in the Loan Documents is true and correct (except (i) any such representation or warranty which relates to a specified prior date and (ii) to the extent the Lenders have been notified in writing by the Loan Parties that any representation or warranty is not correct and the Lenders have explicitly waived in writing compliance with such representation or warranty) and no Default exists, will exist, or would result therefrom;

(d) for Acquisitions with aggregate consideration in excess of \$50,000,000, as soon as available, but not less than thirty (30) days prior to such Acquisition (or such shorter period of time as the Administrative Agent may agree in its sole discretion), the Borrower Representative has provided the Administrative Agent (i) notice of such Acquisition and (ii) a copy of all business and financial information reasonably requested by the Administrative Agent including pro forma financial statements, statements of cash flow, and Availability projections;

(e) [reserved];

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(f) [reserved];

(g) [reserved];

(h) if such Acquisition is an acquisition of Equity Interests, such Acquisition will not result in any violation of Regulation U;

(i) if such Acquisition involves a merger or a consolidation involving any Borrower or any other Loan Party, such Borrower or such Loan Party, as applicable, shall be the surviving entity;

(j) no Loan Party shall, as a result of or in connection with any such Acquisition, assume or incur any direct or contingent liabilities (whether relating to environmental, tax, litigation, or other matters) that could have a Material Adverse Effect;

(k) in connection with an Acquisition of the Equity Interests of any Person, all Liens on property of such Person, if not otherwise permitted under [Section 6.02](#), shall be terminated unless the Administrative Agent and the Lenders in their sole discretion consent otherwise, and in connection with an Acquisition of the assets of any Person, all Liens on such assets shall be terminated;

(l) the Borrower Representative shall certify to the Administrative Agent and the Lenders (and provide the Administrative Agent and the Lenders with a pro forma calculation in form and substance reasonably satisfactory to the Administrative Agent and the Lenders) that, after giving effect to the completion of such Acquisition, the Total Leverage Ratio is less than the then applicable Total Leverage Ratio required pursuant to [Section 6.12\(a\)](#);

(m) for Acquisitions with aggregate consideration in excess of \$50,000,000, all actions required to be taken with respect to any newly acquired or formed wholly-owned Subsidiary of a Borrower or a Loan Party, as applicable, required under [Section 5.14](#) shall have been taken; and

(n) for Acquisitions with aggregate consideration in excess of \$50,000,000, the Borrower Representative shall have delivered to the Administrative Agent the final executed material documentation relating to such Acquisition within 10 days following the consummation thereof.

"Permitted Encumbrances" means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with [Section 5.04](#);

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with [Section 5.04](#);

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment Liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII; and

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of any Borrower or any Subsidiary;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness, except with respect to clause (e) above.

"Permitted Holders" means (a) Polpat LLC, Mark J. Penn and AlpInvest, (b) Stagwell Media LP or Stagwell Parallel Partnership LP, (c) any successor entity of Stagwell Media LP or Stagwell Parallel Partnership LP owned or controlled solely by the same Persons that own or control Stagwell Media LP or Stagwell Parallel Partnership LP (as applicable) prior to any applicable acquisition or change in "beneficial ownership" (as defined in the definition of "Change in Control"), (d) with respect to any entity in the foregoing clauses (a) through (c), any Affiliate, general partner or limited partner of such entity as of immediately following the Restatement Date, (e) a trust established by or for the benefit of any individual in the foregoing clauses (a) through (d) or the sole individual direct or indirect owner of any such entities of which only such individual and his or her immediate family members are beneficiaries, (f) any Person established for the benefit of, and beneficially owned solely by, any entity in the foregoing clauses (a) through (d) or the sole individual direct or indirect owner of any such entities or (g) upon the death of any individual in the foregoing clauses (a) through (d) or the sole individual direct or indirect owner of any such entities, an executor, administrator or beneficiary of the estate of such deceased individual.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the U.S. (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the U.S.), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, investment grade credit rating from S&P or from Moody's;

(c) investments in certificates of deposit, bankers' acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any

commercial bank organized under the laws of the U.S. or any state thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$5,000,000,000.

"Permitted Receivables Financing" means one or more receivables, factoring or securitization facilities, financings or arrangements made available to the Company and/or any of its Subsidiaries on then-market terms (as reasonably determined by the Company) pursuant to which the Company and/or any of its Subsidiaries sells, conveys or otherwise transfers and/or grants a security interest in accounts

receivable, payables or securitization assets and any related assets (including all collateral securing such accounts receivable, payables or securitization assets and related assets, all contracts and all guarantees or other obligations in respect of such accounts receivable, payables or securitization assets and related assets, proceeds of such accounts receivable, payables or securitization assets and related assets and other assets that are customarily transferred or in respect of which security interests are customarily granted in connection with receivables, factoring or securitization facilities, financings or arrangements) to (a) any Person that is not a Subsidiary (including any special purpose securitization subsidiary of the Company indirectly to one or more investors or purchasers (including pursuant to any receivables, factoring or securitization facility, financing or arrangement)) or (b) a Subsidiary that in turn sells, conveys or otherwise transfers and/or grants a security interest in such accounts receivable, payables or securitization assets and related assets to any Person that is not a Subsidiary (including any special purpose securitization subsidiary of the Company indirectly to one or more investors or purchasers (including pursuant to any receivables, factoring or securitization facility, financing or arrangement)); provided that (x) any such receivables, factoring or securitization facility, financing or arrangement shall be non-recourse to any Loan Party except with respect to limited representations, covenants and indemnities, in each case, that are customary for such transactions and (y) the aggregate amount available to the Company and/or its Subsidiaries under all such receivables, factoring or securitization facilities, financings or arrangements shall not exceed \$100,000,000 at any time.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

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“Plan Asset Regulations” means 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

“Pledge Agreements” means (i) that certain Pledge of Minority Interests in Targeted Victory, LLC, dated as of the Original Effective Date, between Phil A. Adams, III, and the Administrative Agent, (ii) that certain Pledge of Minority Interests in Targeted Victory, LLC, dated as of the Original Effective Date, between Ryan Meerstein, and the Administrative Agent, and (iii) that certain Pledge of Minority Interests in Targeted Victory, LLC, dated as of the Original Effective Date, between Zachary Moffatt, and the Administrative Agent.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“Proceeding” means any claim, litigation, investigation, action, suit, arbitration or administrative, judicial or regulatory action or proceeding in any jurisdiction.

“Projections” has the meaning assigned to such term in Section 5.01(e).

“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.

“PublicCo” means, Stagwell Inc.

"PublicCo Expenses" means reasonable and customary fees, costs and expenses in connection with PublicCo's activities and services as a holding company of the Company and its subsidiaries and/or as a public company in the ordinary course of business, including and without limitation:

(a) reasonable and customary fees, costs and expenses incurred by PublicCo in connection with the provision of management or administrative services to the Company and its subsidiaries of a type customarily provided by a holding company to its subsidiaries;

(b) fees, costs and expenses necessary to maintain PublicCo's existence as a public company, including any listing fees, annual fees, registration fees and other expenses; and

(c) professional fees (including, without limitation, director, auditor and legal fees), executive compensation and employee benefits, and administration costs in the ordinary course of business as a holding company and/or as a public company.

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"Public-Sider" means a Lender whose representatives may trade in securities of the Company or its Controlling person or any of its Subsidiaries while in possession of the financial statements provided by the Company under the terms of this Agreement.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support" has the meaning assigned to it in [Section 9.21](#).

"Qualified Cash" means (a) cash on deposit in deposit accounts of the Loan Parties maintained with Lenders hereunder or subject to control agreements, in form and substance reasonably satisfactory to the Administrative Agent, in favor of the Administrative Agent for the benefit of the Secured Parties (excluding (i) any deposits pledged to the Administrative Agent and held by the Administrative Agent with respect to which a Borrower is prohibited from using in any manner and (ii) deposits to secure the performance of bids, trade contracts, government contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature permitted under [Section 6.01\(i\)](#) hereof) and (b) Cash Equivalents which are subject to control agreements in favor of the Administrative Agent for the benefit of the Secured Parties or otherwise subject to a perfected security interest in favor of the Administrative Agent for the benefit of the Secured Parties.

"Qualified ECP Guarantor" means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant Loan Guaranty or grant of the relevant security interest becomes or would become effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under [Section 1a\(18\)\(A\)\(v\)\(II\)](#) of the Commodity Exchange Act.

"Real Property" means all real property that was, is now or may hereafter be owned, occupied or otherwise controlled by any Loan Party pursuant to any contract of sale, lease or other conveyance of any legal interest in any real property to any Loan Party.

"Recipient" means, as applicable, (a) the Administrative Agent, (b) any Lender or (c) any Issuing Bank, or any combination thereof (as the context requires)

"Receivables Subsidiary" means any subsidiary of the Company formed for the purpose of, or that solely engages in, one or more securitizations, receivables facilities, receivables financings, Permitted Receivables Financings or any other receivables arrangement, in each case, that is permitted hereunder, and other activities reasonably related to the foregoing.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two (2) Business Days preceding the date of such setting, (2) if such Benchmark is EURIBOR Rate, 11:00 a.m. Brussels time two TARGET Days preceding the date of such setting, (3) if the RFR for such Benchmark is SONIA, then five Business Days prior to such setting, (4) if the RFR for such Benchmark is Daily Simple SOFR, then four (4) Business Days prior to such setting, or (5)

if such Benchmark is none of the Term SOFR Rate, Daily Simple SOFR, or the EURIBOR Rate, the time determined by the Administrative Agent in its reasonable discretion.

“Refinance Indebtedness” has the meaning assigned to such term in [Section 6.01\(g\)](#). **“Register”** has the meaning assigned to such term in [Section 9.04\(b\)](#).

“Regulation D” means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation T” means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation U” means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation X” means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, partners, members, trustees, employees, agents, administrators, managers, representatives and advisors of such Person and such Person’s Affiliates.

“Release” means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migrating, disposing, or dumping of any substance into the environment.

“Relevant Governmental Body” means (i) with respect to Loans denominated in Dollars, the Federal Reserve Board and/or the NYFRB, the CME Term SOFR Administrator, as applicable, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto, (ii) with respect to Loans denominated in Sterling, the Bank of England, or a committee officially endorsed or convened by the Bank of England or, in each case, any successor thereto, and (iii) with respect to Loans denominated in Euro, the European Central Bank, or a committee officially endorsed or convened by the European Central Bank or, in each case, any successor thereto.

“Relevant Rate” means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Adjusted Term SOFR Rate, (ii) with respect to any Term Benchmark Borrowing denominated in Euro, the EURIBOR Rate or (iii) with respect to any Borrowing denominated in Sterling, the applicable Daily Simple RFR, as applicable.

“Report” means reports prepared by the Administrative Agent or another Person showing the results of appraisals, field examinations or audits pertaining to the assets of the Loan Parties from information furnished by or on behalf of the Borrowers, after the Administrative Agent has exercised its rights of inspection pursuant to this Agreement, which Reports may be distributed to the Lenders by the Administrative Agent.

"Reportable Compliance Event" means that any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, or custodially detained in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in actual or probable violation of any Anti-Terrorism Law.

"Reputation Defender" means RepDef Holdings LLC.

"Required Lenders" means, at any time, Lenders (other than Defaulting Lenders) having Credit Exposure and unused Commitments representing at least 50.1% of the sum of the Aggregate Credit Exposure and unused Commitments at such time.

"Requirement of Law" means, with respect to any Person, (a) the charter, articles or certificate of organization or incorporation and bylaws or operating, management or partnership agreement, or other organizational or governing documents of such Person and (b) any statute, law (including common law), treaty, rule, regulation, code, ordinance, order, decree, writ, judgment, injunction or determination of any arbitrator or court or other Governmental Authority (including Environmental Laws), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means the president, Financial Officer of a Borrower.

"Restatement Date" means the date on which the conditions specified in [Section 4.01](#) are satisfied (or waived in accordance with [Section 9.02](#)).

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest in any Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests or any option, warrant or other right to acquire any such Equity Interests. For avoidance of doubt, neither of (a) the purchase of the Equity Interests of the target of a Permitted Acquisition by any Loan Party, nor (b) the payment by the Company to PublicCo of PublicCo Expenses, shall be a Restricted Payment.

"Reuters" means, as applicable, Thomson Reuters Corp, Refinitiv, or any successor thereto.

"Revaluation Date" means, (a) with respect to any Loan denominated in any Alternative Currency, each of the following: (i) the date of the Borrowing of such Loan and (ii) each date of a conversion into or continuation of such Loan pursuant to the terms of this Agreement; (b) with respect to any Letter of Credit denominated in an Alternative Currency, each of the following: (i) the date on which such Letter of Credit is issued, (ii) the first Business Day of each calendar month and (iii) the date of any amendment of such Letter of Credit that has the effect of

increasing the face amount thereof; and (c) any additional date as the Administrative Agent may determine at any time when an Event of Default exists.

"Revolving Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate permitted amount of such Lender's Revolving Exposure hereunder, as such commitment may be reduced from time to time pursuant to (a) [Section 2.09](#) and (b) assignments by or to such Lender pursuant to [Section 9.04](#). The initial amount of each Lender's Revolving Commitment is set forth on the [Commitment Schedule](#), or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Commitment, as applicable. The initial aggregate amount of the Lenders' Revolving Commitments is \$500,000,000.

"Revolving Credit Maturity Date" means August 3, 2026 (if the same is a Business Day, or if not then the immediately next succeeding Business Day), or any earlier date on which the Revolving Commitments are reduced to zero or otherwise terminated pursuant to the terms hereof; provided, however, if the MDC Notes are not refinanced, or the MDC Notes Documents are not otherwise terminated pursuant to the terms thereof, before the date that is 91 days prior to the MDC Notes Maturity Date, the Revolving Credit Maturity Date shall mean the date that is 91 days prior to the MDC Notes Maturity Date.

"Revolving Exposure" means, with respect to any Lender, at any time, the sum of the aggregate outstanding principal amount of such Lender's Revolving Loans and its LC Exposure and Swingline Exposure at such time.

"Revolving Lender" means, as of any date of determination, a Lender with a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with Revolving Exposure.

"Revolving Loan" means a Loan made pursuant to [Section 2.01](#). **"RFR"** means, for any RFR Loan denominated in Sterling, SONIA. **"RFR Administrator"** means the SONIA Administrator.

"RFR Borrowing" means, as to any Borrowing, the RFR Loans comprising such Borrowing.

"RFR Business Day" means, for any Loan denominated in Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London.

"RFR Interest Day" has the meaning specified in the definition of "Daily Simple RFR". **"RFR Loan"** means a Loan that bears interest at a rate based on Daily Simple RFR.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"Sale and Leaseback Transaction" has the meaning assigned to such term in [Section 6.06](#).

"Sanctioned Country" means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, the so - called Donetsk People's Republic, the so- called Luhansk People's Republic, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State or by the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b), or (d) any Person otherwise the subject of any Sanctions.

"Sanctions" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority.

"Saudi Riyal" means the lawful currency of Saudi Arabia.

"Saudi Riyal LC Disbursement" means a payment made by the Issuing Bank pursuant to a Saudi Riyal Letter of Credit.

"Saudi Riyal LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Saudi Riyal Letters of Credit at such time plus (b) the aggregate amount of all Saudi Riyal LC Disbursements that have not yet been reimbursed by or on behalf of a Borrower at such time.

"Saudi Riyal Letter of Credit" means a Letter of Credit to be issued by the Issuing Bank in Saudi Riyal on behalf of a Borrower.

"Saudi Riyal Sublimit" means the Dollar Equivalent Amount of 2,500,000. **"SEC"** means the Securities and Exchange Commission of the U.S.

"Second Amendment" means the Second Amendment to Credit Agreement, dated as of the Second Amendment Effective Date, among the Loan Parties thereto, the Lenders party thereto and the Administrative Agent.

"Second Amendment Effective Date" has the meaning set forth in the Second Amendment.

"Secured Obligations" means all Obligations, together with all (i) Banking Services Obligations and (ii) Swap Agreement Obligations owing to one or more Lenders or their respective Affiliates; provided, however, that the definition of "Secured Obligations" shall not

create any guarantee by any Guarantor of (or grant of security interest by any Guarantor to support, as applicable) any Excluded Swap Obligations of such Guarantor for purposes of determining any obligations of any Guarantor.

"Secured Parties" means (a) the Lenders, (b) the Administrative Agent, (c) each Issuing Bank, (d) each provider of Banking Services, to the extent the Banking Services Obligations in respect thereof constitute Secured Obligations, (e) each counterparty to any Swap Agreement, to the extent the obligations thereunder constitute Secured Obligations, (f) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document, and (g) the successors and assigns of each of the foregoing.

"Security Agreement" means that certain Second Amended and Restated Pledge and Security Agreement (including any and all supplements thereto), dated as of the date hereof, among the Loan Parties and the Administrative Agent, for the benefit of the Administrative Agent and the other Secured Parties, and any other pledge or security agreement entered into, after the date of this Agreement by any other Loan Party (as required by this Agreement or any other Loan Document) or any other Person for the benefit of the Administrative Agent and the other Secured Parties, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the NYFRB's website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Determination Date” has the meaning specified in the definition of “Daily Simple SOFR”.

“SOFR Rate Day” has the meaning specified in the definition of “Daily Simple SOFR”.

“SONIA” means, with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator’s Website on the immediately succeeding Business Day.

“SONIA Administrator” means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

“SONIA Administrator’s Website” means the Bank of England’s website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

“Spot Rate” for a currency means the rate determined by the Administrative Agent to be the rate quoted by the Administrative Agent as the spot rate for the purchase by the

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Administrative Agent of such currency with another currency through its principal foreign exchange trading office; provided, however, that the Administrative Agent may use any other reasonable method it deems applicable to determine such rate, and any such determination shall be conclusive absent manifest error.

“Stagwell Global” means Stagwell Global LLC (f/k/a Midas OpCo Holdings LLC), a limited liability company formed in the State of Delaware.

“Statements” has the meaning assigned to such term in Section 2.18(g). “Sterling” or “£” means lawful currency of the United Kingdom.

“Sterling LC Disbursement” means a payment made by the Issuing Bank pursuant to a Sterling Letter of Credit.

“Sterling LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Sterling Letters of Credit at such time plus (b) the aggregate amount of all Sterling LC Disbursements that have not yet been reimbursed by or on behalf of a Borrower at such time.

“Sterling Letter of Credit” means Letters of Credit to be issued by the Issuing Bank in Sterling on behalf of a Borrower.

“Sterling Loans” means Revolving Loans made to a Borrower denominated in Sterling. “Sterling Sublimit” means the Dollar Equivalent Amount of \$50,000,000.

“Sterling Outstandings” means, at any time, the aggregate Dollar Equivalent Amount of all Sterling Loans outstanding at such time.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity, the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent and/or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any direct or indirect subsidiary of a Borrower or a Loan Party, as applicable.

“Supply Chain Financing” means supply chain finance including, without limitation, trade payable services and supplier accounts receivable purchases, but excluding any factoring

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arrangements, between the Loan Parties, Citibank, N.A. and its branches, subsidiaries, and Affiliates, and The Proctor & Gamble Company.

“Supported QFC” has the meaning assigned to it in [Section 9.21](#).

“Swap Agreement” means any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrowers or their Subsidiaries shall be a Swap Agreement.

“Swap Agreement Obligations” means any and all obligations of the Loan Parties and their Subsidiaries, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any Swap Agreement permitted hereunder with a Lender or an Affiliate of a Lender, and (b) any cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction permitted hereunder with a Lender or an Affiliate of a Lender and (c) the Swap Agreements set forth on [Schedule 1.01](#) as of the Restatement Date.

“Swap Obligation” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act or any rules or regulations promulgated thereunder.

“Swingline Commitment” means the amount set forth opposite Chase’s name on the Commitment Schedule as Swingline Commitment. The initial aggregate amount of the Swingline Commitments is \$50,000,000.

“Swingline Exposure” means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Revolving Lender at any time shall be the sum of (a) its Applicable Percentage of the total Swingline Exposure at such time other than with respect to any Swingline Loans made by such Revolving Lender in its capacity as the Swingline Lender and (b) the principal amount of all Swingline Loans made by such Revolving Lender in its capacity as the Swingline Lender outstanding at such time (less the amount of participations funded by the other Lenders in such Swingline Loans).

“Swingline Lender” means Chase, in its capacity as lender of Swingline Loans hereunder. Any consent required of the Administrative Agent or the Issuing Bank shall be deemed to be required of the Swingline Lender and any consent given by Chase in its capacity as Administrative Agent or Issuing Bank shall be deemed given by Chase in its capacity as Swingline Lender as well.

“Swingline Loan” means a Loan made pursuant to [Section 2.05](#).

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"TARGET Day" means any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, reasonably determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

"TARGET2" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

"Tax Distribution" has the meaning assigned to it in Section 6.08(c).

"Tax Distribution Date" means any date that is two Business Days prior to the date on which estimated federal income tax payments are required to be made by calendar year corporate taxpayers and the due date for federal income tax returns of corporate calendar year taxpayers (without regard to extensions).

"Tax Receivable Agreement" means that certain income tax receivable agreement dated as of August 2, 2021 as in effect as of the date hereof, pursuant to which certain members or former members of the Company are entitled to receive from the direct or indirect parent of the Company 85% of the tax savings realized by such parent resulting from taxable exchanges of equity interests in the Company by such member or former member for shares of such parent and related tax basis adjustments.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), value added taxes, or any other goods and services, use or sales taxes, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Benchmark" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Term SOFR Rate or the Adjusted EURIBOR Rate.

"Term Loan Agent" means JPMorgan Chase Bank, N.A., and any successor administrative agent under the Term Loan Credit Agreement.

"Term Loan Credit Agreement" means the Credit Agreement dated as of the Second Amendment Effective Date by and among the Company, the other Loan Parties party thereto, the Term Loan Lenders, and the Term Loan Agent, as the same may from time to time be amended, restated, amended and restated, supplemented, refinanced, replaced or otherwise modified in accordance with the terms of the Intercreditor Agreement.

"Term Loan Documents" means, collectively, the Term Loan Credit Agreement and each other "Loan Document" as defined therein.

"Term Loan Lenders" means each of the lenders from time to time a party under the Term Loan Credit Agreement.

"Term Loan Obligations" means the Indebtedness outstanding under the Term Loan Credit Agreement in an aggregate principal amount not to exceed the amount thereof permitted by the Intercreditor Agreement.

"Term SOFR Determination Day" has the meaning assigned to it under the definition of Term SOFR Reference Rate.

"Term SOFR Rate" means, with respect to any Term Benchmark Borrowing in Dollars and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two (2) U.S. Government Securities Business Days

prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

“Term SOFR Reference Rate” means, for any day and time (such day, the “Term SOFR Determination Day”), and for any tenor comparable to the applicable Interest Period, the rate per annum determined by the Administrative Agent as the forward-looking term rate based on SOFR; provided that if the Term SOFR Reference Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the “Term SOFR Reference Rate” for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding Business Day is not more than five (5) Business Days prior to such Term SOFR Determination Day.

“Total Indebtedness” means, at any date, the aggregate principal amount of all Indebtedness determined for the Borrowers and their Subsidiaries on a consolidated basis at such date, in accordance with GAAP.

“Total Leverage Ratio” means, on any date, the ratio of (a) (i) Total Indebtedness (other than, for the avoidance of doubt, (1) any accrued contingent payment with respect to Earn-outs to the extent not Liquidated ~~and~~, (2) Letters of Credit issued but not drawn ~~or~~, (3) any Disqualified Equity Interests to the extent any payments owed with respect to such Disqualified Equity Interests continue to be paid in kind or (4) any Indebtedness with respect to any Permitted Receivables Financing) on such date minus (ii) the lesser of (x) the sum of (A) 100% of the amount of unrestricted cash held by any Borrower in deposit accounts in the United States, the United Kingdom, the European Union, or Canada, plus (B) 30% of the amount of unrestricted cash held by the Borrowers in deposit accounts in other locations (excluding China) not to exceed \$30,000,000 in the aggregate (provided that not more than \$3,000,000 of unrestricted cash held in accounts in India may be included), and (y) \$150,000,000 to (b) EBITDA for the period of four consecutive fiscal quarters ended on or most recently prior to such date (except with respect to the Total Leverage Ratio to be determined as of the Effective Date, in which case for the twelve-month period ended on or most recently prior to the Effective Date); ~~provided that~~, when calculating the Total Leverage Ratio to determine compliance with Section 6.12(a), to the extent any Borrower or any Subsidiary makes any acquisition or investment permitted

pursuant to Section 6.04 or disposition of assets outside the ordinary course of business that is permitted by Section 6.05 during the period of four fiscal quarters of the Company most recently ended, the Total Leverage Ratio shall be calculated after giving pro forma effect thereto (including pro forma adjustments arising out of events which are directly attributable to the acquisition or investment or the disposition of assets, are factually supportable and are expected to have a continuing impact, in each case as determined on a basis consistent with Article 11 of Regulation S-X of the Securities Act of 1933, as amended, as interpreted by the SEC, and as certified by a Financial Officer of the Company), as if such acquisition, investment or disposition (and any related incurrence, repayment or assumption of Indebtedness) had occurred in the first day of such four quarter period.

“Transactions” means the execution, delivery and performance by the Borrowers of this Agreement and the other Loan Documents, the borrowing of Loans and other credit extensions hereunder, the use of the proceeds thereof, the issuance of Letters of Credit hereunder, and the consummation of the Business Combination prior to or substantially concurrent with the Restatement Date.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate, the Adjusted EURIBOR Rate, the Alternate Base Rate or the Daily Simple RFR.

“UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York or in any other state, the laws of which are required to be applied in connection with the issue of perfection of security interests.

“UK Financial Institutions” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within 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.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Unliquidated Obligations” means, at any time, any Secured Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Secured Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any guarantee) that is contingent in nature at such time; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

“U.S.” means the United States of America.

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“U.S. Letter of Credit” means a Letter of Credit to be issued by U.S. Issuing Bank on behalf of a Borrower.

“U.S. LC Disbursement” means a payment made by the U.S. Issuing Bank pursuant to a U.S. Letter of Credit.

“U.S. LC Exposure” means, at any time, the sum of (a) the aggregate undrawn Dollar Equivalent Amount of all outstanding U.S. Letters of Credit at such time plus (b) the aggregate Dollar Equivalent Amount of all U.S. LC Disbursements that have not yet been reimbursed by or on behalf of the applicable Borrower at such time.

“U.S. Loans” means Revolving Loans made to a Borrower denominated in dollars.

“U.S. Outstandings” means, at any time, the aggregate Dollar Equivalent Amount of all U.S. Loans outstanding at such time plus the aggregate amount of all U.S. LC Exposure and Swingline Exposure at such time.

“U.S. Person” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“U.S. Special Resolution Regime” has the meaning assigned to it in Section 9.21.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in Section 2.17(f)(ii)(B)(3).

“USA PATRIOT Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Write-Down and Conversion Powers” means, (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.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans and Borrowings may be classified and referred to by Class (e.g., a “Revolving Loan”) or by Type (e.g., a “Term Benchmark Loan” or an “RFR Loan”) or by Class and Type (e.g., a “Term Benchmark Revolving Loan” or an “RFR Revolving Loan”). Borrowings also may be classified and referred to by Class (e.g., a “Revolving Borrowing”) or by Type (e.g., a “Term Benchmark Borrowing” or an “RFR Borrowing”) or by Class and Type (e.g., a “Term Benchmark Revolving Borrowing” or an “RFR Revolving Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “law” shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply) and all judgments, orders and decrees of all Governmental Authorities. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on assignments set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (f) any reference in any definition to the phrase “at any time” or “for any period” shall refer to the same time or period for all calculations or determinations within such definition, and (g) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP.

(a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if after the date hereof there occurs any change in GAAP or in the application thereof on the

operation of any provision hereof and the Borrower Representative notifies the Administrative Agent that the Borrowers request an amendment to any provision hereof to eliminate the effect of such change in GAAP or in the application thereof (or if the

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Administrative Agent notifies the Borrower Representative that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Financial Accounting Standards Board Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Company or any Subsidiary at "fair value", as defined therein and (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Financial Accounting Standards Board Accounting Standards Codification 470-20 or 2015-03 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

(b) Notwithstanding anything to the contrary contained in Section 1.04(a) or in the definition of "Capital Lease Obligations," any change in accounting for leases pursuant to GAAP resulting from the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2016-02, Leases (Topic 842) ("FAS 842"), to the extent such adoption would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) would not have been required to be so treated under GAAP as in effect on December 31, 2015, such lease shall not be considered a capital lease, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith.

(c) The Administrative Agent or other applicable Agents shall determine the Spot Rate as of each Revaluation Date to be used for calculating Dollar Equivalent Amounts of Obligations denominated in Euro, Sterling, Saudi Riyal, or any other Alternative Currency. Such Spot Rate shall become effective as of such Revaluation Date and shall be the Spot Rate employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by the Borrower Representative hereunder, the applicable amount of any currency for purposes of the Loan Documents shall be such Dollar Equivalent Amount as so determined by the Administrative Agent or other applicable Agent, and such determination shall be conclusive absent manifest error.

SECTION 1.05. Pro Forma Adjustments for Acquisitions and Dispositions. To the extent any Borrower or any Subsidiary makes any acquisition or investment permitted pursuant to Section 6.04, or disposition of assets outside the ordinary course of business permitted by Section 6.05 during the period of four fiscal quarters of the Company most recently ended, the Total Leverage Ratio shall be calculated after giving pro forma effect thereto (including pro forma adjustments arising out of events which are directly attributable to the, as applicable, investment, acquisition or the disposition of assets, are factually supportable and are expected to have a continuing impact, in each case as determined on a basis consistent with Article 11 of

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Regulation S-X of the Securities Act of 1933, as amended, as interpreted by the SEC, and as certified by a Financial Officer of the Borrower), as if such investment, acquisition or disposition (and any related incurrence, repayment or assumption of Indebtedness) had occurred in the first day of such four-quarter period.

SECTION 1.06. Rounding. Any financial ratios required to be maintained by any Loan Party 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).

SECTION 1.07. Interest Rates; Benchmark Notifications. The interest rate on a Loan denominated in dollars may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.14(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.08. Divisions. For all purposes under the Loan Documents, in connection with any Division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II

The Credits

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SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender severally (and not jointly) agrees to make U.S. Loans, Euro Loans and Sterling Loans to the Borrowers, in each case, from time to time during the Availability Period in an aggregate principal amount that will not result (after giving effect to any application of proceeds of such Borrowing pursuant to Section 2.10(a)) in any of the following:

- (a) such Lender's Revolving Exposure exceeding such Lender's Revolving Commitment;
- (b) the Aggregate Revolving Exposure exceeding the aggregate Revolving Commitments;
- (c) the sum of (v) the Foreign Outstandings plus (w) the Sterling LC Exposure plus

(x) the Euro LC Exposure plus (y) the Saudi Riyal LC Exposure plus (z) the Additional Currency LC Exposure at any time exceeding the Foreign Currency Sublimit;

(d) the sum of (x) Sterling Outstandings plus (y) the Sterling LC Exposure at any time exceeding the Sterling Sublimit; or

(e) the sum of (x) the Euro Outstandings plus (y) the Euro LC Exposure at any time exceeding the Euro Sublimit.

Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and re-borrow Revolving Loans.

SECTION 2.02. Loans and Borrowings.

(a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Any Swingline Loan shall be made in accordance with the procedures set forth in Section 2.05.

(b) Subject to Section 2.14, each Revolving Borrowing shall be comprised (a) in the case of Borrowings in Dollars, entirely of ABR Loans or Term Benchmark Loans and (b) in the case of Borrowings in any other Agreed Currency, entirely of Term Benchmark Loans or RFR Loans, as applicable, in each case of the same Agreed Currency, as the Borrower Representative may request in accordance herewith. Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Term Benchmark Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrowers to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Term Benchmark Borrowing and/or payment period for each RFR Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of the Dollar Equivalent of \$500,000 and not less

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than the Dollar Equivalent of \$1,000,000. At the time that each ABR Borrowing denominated in dollars is made, such Borrowing shall be in an aggregate amount that is an integral multiple of the Dollar Equivalent of \$50,000 and not less than the Dollar Equivalent of \$100,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Revolving Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Each Swingline Loan shall be denominated in Dollars in an amount that is an integral multiple of \$50,000 and not less than \$100,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of five Term Benchmark Revolving Borrowings or RFR Borrowings outstanding.

(d) At the commencement of each Interest Period (i) for any Term Benchmark Borrowing denominated in Sterling, such Borrowing shall be in an aggregate amount not less than £100,000, and (ii) for any Term Benchmark Borrowing denominated in Euro, such Borrowing shall be in an aggregate amount not less than €100,000.

(e) Notwithstanding any other provision of this Agreement, the Borrowers shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Revolving Credit Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower Representative shall notify the Administrative Agent of such request either in writing (delivered by hand or fax) by delivering a Borrowing Request signed by a Responsible Officer of the Borrower

Representative or by telephone or through Electronic System, if arrangements for doing so have been approved by the Administrative Agent, (a)(i) in the case of a Term Benchmark Borrowing, not later than 11:00 a.m., New York, New York time, three Business Days before the date of the proposed Borrowing, other than any Borrowing Request for initial Drawdown, which shall be no later than 11:00 am on the day of the proposed Borrowing, (ii) in the case of a Term Benchmark Borrowing denominated in Euro, not later than 12:00 p.m., New York City time, three Business Days before the date of the proposed Borrowing other than any Borrowing Request for initial Drawdown, which shall be no later than 11:00 am on the day of the proposed Borrowing, (iii) in the case of a RFR Borrowing denominated in Sterling, not later than 11:00 a.m., New York City time, five Business Days before the date of the proposed Borrowing other than any Borrowing Request for initial Drawdown, which shall be no later than 11:00 am on the day of the proposed Borrowing or (b) in the case of an ABR Revolving Borrowing, not later than 11:00 a.m., New York, New York time, one Business Day before the date of the proposed Borrowing other than any Borrowing Request for initial Drawdown, which shall be no later than 11:00 am on the day of the proposed Borrowing; provided that any such notice of an ABR Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 10:00 a.m., New York, New York time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery, fax or a communication through Electronic System to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower Representative. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

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- (i) the Agreed Currency and aggregate amount of the requested Borrowing, and a breakdown of the separate wires comprising such Borrowing;
- (ii) the name of the applicable Borrower(s);
- (iii) the date of such Borrowing, which shall be a Business Day;
- (iv) whether such Borrowing is to be an ABR Borrowing, a Term Benchmark Borrowing or a RFR Borrowing; and
- (v) in the case of a Term Benchmark Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period."

Any Borrowing Request that shall fail to specify any of the information required by the preceding provisions of this paragraph may be rejected by any Agent if such failure is not corrected promptly after such Agent shall give written or telephonic notice thereof to the Borrower Representative and, if so rejected, will be of no force or effect; provided, that if no election as to the currency of a Borrowing is specified, then the requested Borrowing shall be made in Dollars; if no election as to the type of a Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing made in Dollars; and no Interest Period is specified with respect to any requested Borrowing, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. [Section Intentionally Omitted]. SECTION 2.05. Swingline Loans.

(a) Subject to the terms and conditions set forth herein, from time to time during the Availability Period, the Swingline Lender may agree, but shall have no obligation, to make Swingline Loans to the Borrowers, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding the Swingline Lender's Swingline Commitment, (ii) the Swingline Lender's Revolving Exposure exceeding its Revolving Commitment, or (iii) the Aggregate Revolving Exposures exceeding the aggregate Revolving Commitments; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and re-borrow Swingline Loans. To request a Swingline Loan, the Borrower Representative shall notify the Administrative Agent of such request by telephone

(confirmed by fax) or through Electronic System, if arrangements for doing so have been approved by the Administrative Agent, not later than noon, New York, New York time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower Representative. The Swingline Lender shall make each Swingline Loan available to the

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Borrowers, to the extent the Swingline Lender elects to make such Swingline Loan by means of a credit to the Funding Account(s) (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in [Section 2.06\(e\)](#), by remittance to the Issuing Bank, and in the case of repayment of another Loan or fees or expenses as provided by [Section 2.18\(c\)](#), by remittance to the Administrative Agent to be distributed to the Lenders) by 2:00 p.m., New York, New York time, on the requested date of such Swingline Loan.

(b) The Swingline Lender may by written notice given to the Administrative Agent require the Revolving Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which the Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Revolving Lender hereby absolutely and unconditionally agrees, promptly upon receipt of such notice from the Administrative Agent (and in any event, if such notice is received by 2:00 p.m., New York, New York time, on a Business Day no later than 4:00 p.m., New York, New York time on such Business Day and if received after 2:00 p.m., New York, New York time, "on a Business Day" shall mean no later than 9:00 a.m. New York, New York time on the immediately succeeding Business Day), to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in [Section 2.07](#) with respect to Loans made by such Lender (and [Section 2.07](#) shall apply, *mutatis mutandis*, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Revolving Lenders. The Administrative Agent shall notify the Borrower Representative of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrowers (or other party on behalf of the Borrowers) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Borrowers for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrowers of any default in the payment thereof.

SECTION 2.06. Letters of Credit.

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(a) **General.** Subject to the terms and conditions set forth herein, the Borrower Representative, on behalf of a Borrower, may request the issuance of Letters of Credit denominated in dollars, Euro, Sterling, Saudi Riyal, or any other Alternative Currency as the Borrower Representative may elect, subject to the Foreign Currency Sublimit, as the applicant thereof for the support of the obligations of any Borrower or any Subsidiary thereof, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Availability Period and the applicable Issuing Bank may agree, but shall have no obligation to issue such Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower Representative to, or entered into by the Borrower Representative with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. The Borrower Representative unconditionally and irrevocably agrees that, in connection with any Letter of Credit issued for the support of any Borrower or any Subsidiary's obligations as provided in the first sentence of this paragraph, the Borrower Representative will be fully responsible for the reimbursement of LC Disbursements in accordance with the terms hereof, the payment of interest thereon and the payment of fees due under **Section 2.12(b)** to the same extent as if it were the sole account party in respect of such Letter of Credit (the Borrower Representative hereby irrevocably waiving any defenses that might otherwise be available to it as a guarantor or surety of the obligations of such Borrower or such Subsidiary that is an account party in respect of any such Letter of Credit). Notwithstanding anything herein to the contrary, the Issuing Bank shall have no obligation hereunder to issue, and shall not issue, any Letter of Credit (i) the proceeds of which would be made available to any Person (A) to fund any activity or business of or with any Sanctioned Person, or in any country or territory that, at the time of such funding, is the subject of any Sanctions or (B) in any manner that would result in a violation of any Sanctions by any party to this Agreement, (ii) if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any Requirement of Law relating to the Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Restatement Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Restatement Date and which the Issuing Bank in good faith deems material to it, or (iii) if the issuance of such Letter of Credit would violate one or more policies of the Issuing Bank applicable to letters of credit generally; **provided** that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in the implementation thereof, and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed not to be in effect on the Restatement Date for purposes of clause (ii) above, regardless of the date enacted, adopted, issued or implemented. No Issuing Bank shall

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amend any Letter of Credit if the Issuing Bank would not be permitted to issue a Letter of Credit in its amended form.

(b) **Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions.** To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower Representative shall hand deliver or fax (or transmit through Electronic System, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension, but in any event no less than three Business Days) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount and denomination of such Letter of Credit, the name and address of the beneficiary thereof, and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Bank, the applicable Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) (x) the LC Exposure shall not exceed the Dollar Equivalent Amount of \$50,000,000 and (y) the sum of the Sterling LC Exposure, the

Euro LC Exposure, the Saudi Riyal LC Exposure, and the Additional Currency LC Exposure shall not exceed the Foreign LC Sublimit, (ii) no Revolving Lender's Revolving Exposure shall exceed its Revolving Commitment and (iii) the Aggregate Revolving Exposure shall not exceed the aggregate Revolving Commitments. Notwithstanding the foregoing or anything to the contrary contained herein, no Issuing Bank shall be obligated to issue or modify any Letter of Credit if, immediately after giving effect thereto, the outstanding LC Exposure in respect of all Letters of Credit issued by such Person and its Affiliates would exceed such Issuing Bank's Issuing Bank Sublimit. Without limiting the foregoing and without affecting the limitations contained herein, it is understood and agreed that the Borrower Representative may from time to time request that an Issuing Bank issue Letters of Credit in excess of its individual Issuing Bank Sublimit in effect at the time of such request, and each Issuing Bank agrees to consider any such request in good faith. Any Letter of Credit so issued by an Issuing Bank in excess of its individual Issuing Bank Sublimit then in effect shall nonetheless constitute a Letter of Credit for all purposes of the Credit Agreement, and shall not affect the Issuing Bank Sublimit of any other Issuing Bank, subject to the limitations on the aggregate LC Exposure set forth in clause (i) of this [Section 2.06\(b\)](#).

(c) **Expiration Date.** Each Letter of Credit shall expire (or be subject to termination or nonrenewal by notice from the Issuing Bank to the beneficiary thereof) at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, including, without limitation, any automatic renewal provision, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Revolving Credit Maturity Date.

(d) **Participations.** By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing

Bank or the Revolving Lenders, the Issuing Bank hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement in the Dollar Equivalent Amount of such LC Disbursement made by the Issuing Bank and not reimbursed by the Borrowers on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrowers for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) **Reimbursement.** If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrowers shall reimburse such LC Disbursement by paying to the Administrative Agent, in dollars, an amount equal to the Dollar Equivalent Amount of such LC Disbursement not later than 11:00 a.m., New York, New York time, on (i) the Business Day that the Borrower Representative receives notice of such LC Disbursement, if such notice is received prior to 9:00 a.m., New York, New York time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower Representative receives such notice, if such notice is received after 9:00 a.m., New York, New York time, on the day of receipt; provided that the Borrowers may, subject to the conditions to borrowing set forth herein, request in accordance with [Section 2.03](#) or [2.05](#) that such payment be financed with an ABR Revolving Borrowing or Swingline Loan in an equivalent amount and, to the extent so financed, the Borrowers' obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing or Swingline Loan. If the Borrowers fail to make such payment when due, the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Borrowers in respect thereof, and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent in dollars its Applicable Percentage of the Dollar Equivalent Amount of the payment then due from the Borrowers, in the same manner as provided in [Section 2.07](#) with respect to Loans made by such Lender (and [Section 2.07](#) shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrowers pursuant to this paragraph, the Administrative Agent shall distribute such payment

to the Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank, as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrowers of their obligation to reimburse such LC Disbursement.

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(f) **Obligations Absolute.** The Borrowers' joint and several obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity, or enforceability of any Letter of Credit or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) any payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrowers' obligations hereunder. None of the Administrative Agent, the Revolving Lenders or the Issuing Bank, or any of their respective Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit, or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation, of technical terms, any error in translation or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrowers to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by applicable law) suffered by any Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) **Disbursement Procedures.** The Issuing Bank for any Letter of Credit shall, within the time allowed by applicable law or the specific terms of the Letter of Credit following its receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. Such Issuing Bank shall promptly after such examination notify the Administrative Agent and the Borrower Representative by telephone (confirmed by fax or through Electronic Systems) of such demand for payment if such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrowers of their obligation to reimburse such Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement.

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(h) **Interim Interest.** If the Issuing Bank for any Letters of Credit shall make any LC Disbursement, then, unless the Borrowers shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrowers reimburse such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans and such interest shall be due and payable on the date when such reimbursement is due; provided that, if the Borrowers fail to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph

(e) of this Section to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) **Replacement and Resignation of the Issuing Bank.**

(i) The Issuing Bank may be replaced at any time by written agreement among the Borrower Representative, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Revolving Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit or extend or otherwise amend any existing Letter of Credit.

(ii) Subject to the appointment and acceptance of a successor Issuing Bank, the Issuing Bank may resign as an Issuing Bank at any time upon thirty days' prior written notice to the Administrative Agent, the Borrower Representative and the Lenders, in which case, such resigning Issuing Bank shall be replaced in accordance with Section 2.06(i)(i) above.

(j) **Cash Collateralization.** If any Event of Default shall occur and be continuing, on the Business Day that the Borrower Representative receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Revolving Lenders with LC Exposure representing greater than 50.1% of the aggregate LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrowers shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders (the "LC Collateral Account"), an amount in cash equal to 105% of the Dollar Equivalent Amount of the amount of the LC Exposure as of such date plus accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral

shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to any Borrower described in clause (h) or (i) of Article VII. The Borrowers also shall deposit cash collateral in accordance with this paragraph as and to the extent required by Sections 2.11(b) or 2.20. Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Secured Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over the LC Collateral Account and the Borrowers hereby grant the Administrative Agent a security interest in the LC Collateral Account and all moneys or other assets on deposit therein or credited thereto. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrowers' risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrowers for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of

Revolving Lenders with LC Exposure representing greater than 50.1% of the aggregate LC Exposure), be applied to satisfy other Secured Obligations. If the Borrowers are required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrowers within three (3) Business Days after all such Events of Default have been cured or waived as confirmed in writing by the Administrative Agent.

(k) Issuing Bank Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each Issuing Bank shall, in addition to its notification obligations set forth elsewhere in this Section, report in writing to the Administrative Agent (i) periodic activity (for such period or recurrent periods as shall be requested by the Administrative Agent) in respect of Letters of Credit issued by such Issuing Bank, including all issuances, extensions, amendments and renewals, all expirations and cancelations and all disbursements and reimbursements, (ii) reasonably prior to the time that such Issuing Bank issues, amends, renews or extends any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the stated amount of the Letters of Credit issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed), (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date and amount of such LC Disbursement, (iv) on any Business Day on which a Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount of such LC Disbursement, and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such Issuing Bank.

(l) LC Exposure Determination. For all purposes of this Agreement, the amount of a Letter of Credit that, by its terms or the terms of any document related thereto, provides for one or more automatic increases in the stated amount thereof shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at the time of determination.

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(m) Existing Letters of Credit. The Borrowers and the Lenders hereby acknowledge and agree that each of the Existing Letters of Credit shall constitute a Letter of Credit under this Agreement on and after the Restatement Date with the same effect as if such Existing Letter of Credit were issued by the Issuing Bank at the request of the Borrowers on the Restatement Date.

SECTION 2.07. Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by such Lender hereunder on the proposed date thereof in the currency specified in the Borrowing Request with respect to such Loan solely by wire transfer of immediately available funds by 2:00 p.m., New York, New York time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's Applicable Percentage; provided Swingline Loans shall be made as provided in Section 2.05. The Administrative Agent will make such Loans available to the Borrower Representative by promptly crediting the funds so received in the aforesaid account of the Administrative Agent to the Funding Account(s); provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the 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 Borrowers each severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the applicable Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrowers, the interest rate applicable to ABR Revolving Loans. If such Lender pays such amount to the Administrative Agent,

then such amount shall constitute such Lender's Loan included in such Borrowing; provided, that any interest received from the Borrowers by the Administrative Agent during the period beginning when Administrative Agent funded the Borrowing until such Lender pays such amount shall be solely for the account of the Administrative Agent.

SECTION 2.08. Interest Elections.

(a) Each Borrowing initially shall be of the Type and Agreed Currency specified in the applicable Borrowing Request and, in the case of a Term Benchmark Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower Representative may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower Representative may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the

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Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower Representative shall notify the Administrative Agent of such election by telephone or through Electronic System, if arrangements for doing so have been approved by the Administrative Agent, by the time that a Borrowing Request would be required under Section 2.03 if the Borrowers were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery, Electronic System or fax to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower Representative.

(c) Each telephonic and written Interest Election Request (including requests submitted through Electronic System) shall specify the following information in compliance with Section 2.02:

(i) the name of the applicable Borrower and the Agreed Currency and principal amount of the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing, a Term Benchmark Borrowing or a RFR Borrowing; and

(iv) if the resulting Borrowing is a Term Benchmark Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Term Benchmark Borrowing but does not specify an Interest Period, then the Borrowers shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower Representative fails to deliver a timely Interest Election Request with respect to a Term Benchmark Revolving Borrowing in Dollars prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing at the end of such Interest Period. If the Borrower fails to deliver a timely and complete Interest Election Request with respect to a Term Benchmark Borrowing in an Alternative Currency prior

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to the end of the Interest Period therefor, then, unless such Term Benchmark Borrowing is repaid as provided herein, the Borrower shall be deemed to have selected that such Term Benchmark Borrowing shall automatically be continued as a Term Benchmark Borrowing in its original Agreed Currency with an Interest Period of one month at the end of such Interest Period. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (1) no outstanding Revolving Borrowing may be converted to or continued as a Term Benchmark Borrowing and (2) unless repaid, (x) each Term Benchmark Revolving Borrowing denominated in Dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (y) each Term Benchmark Borrowing denominated in an Alternative Currency shall bear interest at the Central Bank Rate for the applicable Agreed Currency plus the Applicable Rate; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Agreed Currency other than Dollars shall either be (a) converted to an ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) at the end of the Interest Period, as applicable, therefor or (b) prepaid at the end of the applicable Interest Period, as applicable, in full; provided that if no election is made by the Borrower by the earlier of (x) the date that is three Business Days after receipt by the Borrower of such notice and (y) the last day of the current Interest Period for the applicable Term Benchmark Loan, the Borrower shall be deemed to have elected clause (A) above.

SECTION 2.09. Termination and Reduction of Commitments; Increase in Revolving Commitments.

(a) Unless previously terminated, all the Revolving Commitments shall terminate on the Revolving Credit Maturity Date.

(b) The Borrowers may at any time terminate the Revolving Commitments upon (i) the payment in full of all outstanding Revolving Loans and LC Disbursements, together with accrued and unpaid interest thereon, (ii) the cancellation and return of all outstanding Letters of Credit (or alternatively, with respect to each such Letter of Credit, the furnishing to the Administrative Agent of a cash deposit (or at the discretion of the Borrowers a backup standby letter of credit satisfactory to the Administrative Agent and the Issuing Bank) in an amount equal to 105% of the LC Exposure as of such date), (iii) the payment in full of the accrued and unpaid fees and (iv) the payment in full of all reimbursable expenses and other Obligations together with accrued and unpaid interest thereon.

(c) The Borrowers may from time to time reduce the Revolving Commitments; provided that (i) each reduction of the Revolving Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 and (ii) the Borrowers shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.11, the Aggregate Revolving Exposure would exceed the aggregate Revolving Commitments.

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(d) The Borrower Representative shall notify the Administrative Agent of any election to terminate or reduce the Revolving Commitments under paragraph (b) or (c) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower Representative pursuant to this Section shall be irrevocable; provided that a notice of termination of the Revolving Commitments delivered by the Borrower Representative may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower Representative (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any partial reduction of the Revolving Commitments shall result in a pro rata reduction of the Foreign Sublimit, the Euro Sublimit and the Sterling Sublimit, in each case, as determined by the Administrative Agent and notified to the Borrower Representative, and any such determination by the Administrative Agent shall be conclusive. Any termination or reduction of the Revolving Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Revolving Commitments.

(e) The Borrowers shall have the right to increase the Revolving Commitments by obtaining additional Revolving Commitments, either from one or more of the Lenders or another lending institution; provided that (i) after giving effect thereto, the sum of the total of the additional Revolving Commitments does not exceed \$150,000,000, (ii) the Administrative Agent has approved the identity of any such new Lender, such approvals not to be unreasonably withheld, (iii) any such new Lender assumes all of the rights and obligations of a "Lender" hereunder, (iv) the procedures described in Section 2.09(f) have been satisfied, (v) the additional Revolving Commitments shall have a maturity date on the Revolving Maturity Date, and (vi) the interest rate margins for any additional Revolving Commitments shall be the same as the interest rate margins for the Revolving Commitments as set forth on the Restatement Date. Nothing contained in this Section 2.09 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase any Commitment hereunder at any time.

(f) Any amendment hereto for such an increase or addition shall be in form and substance satisfactory to the Administrative Agent and shall only require the written signatures of the Administrative Agent, the Borrowers and each Lender being added or increasing its Revolving Commitment. As a condition precedent to such an increase or addition, the Borrower Representative shall deliver to the Administrative Agent (i) a certificate of each Loan Party signed by an Authorized Officer of such Loan Party (A) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (B) in the case of the Borrowers, certifying that, before and after giving effect to such increase or addition, (1) the representations and warranties contained in Article III and the other Loan Documents are true and correct (or, in the case of any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language, in all respects after giving effect to such qualification), 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 as of such earlier date (or in all respects after giving effect to any materiality qualifier, as applicable) as of the respective date or for the respective period, as the case may be and (2) no Event of Default

exists, and (ii) legal opinions and documents consistent with those delivered on the Restatement Date, to the extent requested by the Administrative Agent.

(g) On the effective date of any such increase or addition, (i) any Lender increasing (or, in the case of any newly added Lender, extending) its Revolving Commitment shall make available to the Administrative Agent or other applicable Agent such amounts in immediately available funds as such Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase or addition and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Loans of all the Lenders to equal its revised Applicable Percentage of such outstanding Revolving Loans, and the Administrative Agent shall make such other adjustments among the Lenders with respect to the Revolving Loans then outstanding and amounts of principal, interest, Commitment Fees and other amounts paid or payable with respect thereto as shall be necessary, in the opinion of the Administrative Agent, in order to effect such reallocation and (ii) the Borrowers shall be deemed to have repaid and re-borrowed all outstanding Revolving Loans as of the date of any increase (or addition) in the Revolving Commitments (with such re-borrowing to consist of the Types of Revolving Loans, with related Interest Periods if

applicable, specified in a notice delivered by the Borrower Representative, in accordance with the requirements of [Section 2.03](#)). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Term Benchmark Loan, shall be subject to indemnification by the Borrowers pursuant to the provisions of [Section 2.16](#) if the deemed payment occurs other than on the last day of the related Interest Periods. Within a reasonable time after the effective date of any increase or addition, the Administrative Agent shall, and is hereby authorized and directed to, revise the Commitment Schedule to reflect such increase or addition and shall distribute such revised Commitment Schedule to each of the Lenders and the Borrower Representative, whereupon such revised Commitment Schedule shall replace the old Commitment Schedule and become part of this Agreement.

This [Section 2.09](#) shall supersede any provisions in [Section 9.02](#) or [9.04](#) to the contrary [SECTION 2.10. Repayment and Amortization of Loans; Evidence of Debt.](#)

(a) The Borrowers hereby unconditionally promise to pay (i) to the Administrative Agent for the account of each Revolving Lender the then unpaid principal amount of each Revolving Loan on the Revolving Credit Maturity Date, and (ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Revolving Credit Maturity Date and the fifth Business Day after such Swingline Loan is made; provided that on each date that a Revolving Loan is made, the Borrowers shall repay all Swingline Loans then outstanding and the proceeds of any such Revolving Loan shall be applied by the Administrative Agent to repay any Swingline Loans outstanding.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

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(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, if any, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be *prima facie* evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrowers shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to [Section 9.04](#)) be represented by one or more promissory notes in such form.

[SECTION 2.11. Prepayment of Loans.](#)

(a) The Borrowers shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (c) of this Section and, if applicable, payment of any break funding expenses under [Section 2.16](#).

(b) In the event and on such occasion that the Dollar Equivalent Amount of the Aggregate Revolving Exposure exceeds the aggregate Commitments, the Borrowers shall prepay the Revolving Loans, LC Exposure and/or Swingline Loans (or, if no such Borrowings are outstanding, deposit cash collateral in the LC Collateral Account in an aggregate amount equal to such excess, in accordance with [Section 2.06\(j\)](#)); provided that if the Dollar Equivalent Amount of the Aggregate Revolving Exposure exceeds the aggregate Commitments due to currency fluctuations, no

prepayment shall be required until the Aggregate Revolving Exposure exceeds 105% of the aggregate Commitments; provided further that, the Aggregate Revolving Exposure shall not exceed the aggregate Commitments for more than two (2) consecutive Business Days.

(c) The Borrower Representative shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by fax) or through Electronic System, if arrangements for doing so have been approved by the Administrative Agent, of any prepayment under this Section: (i) in the case of prepayment of a Term Benchmark Borrowing, not later than 10:00 a.m., New York, New York time, (x) with respect to a Term Benchmark Borrowing denominated in dollars, three (3) Business Days or (y) with respect to any other Term Benchmark Borrowing or any RFR Borrowing, four (4) Business Days, before the date of prepayment, (ii) in the case of prepayment of an ABR Borrowing, not later than 10:00 a.m., New York, New York time, on the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 11:00 a.m., New York, New York time, on the

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date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that if a notice of prepayment is given in connection with a conditional notice of termination of the Revolving Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments pursuant to Section 2.16.

SECTION 2.12. Fees.

(a) The Borrowers agree to pay to the Administrative Agent a commitment fee (the "Commitment Fee") based upon the Total Leverage Ratio set forth in the definition of "Applicable Rate," for the account of each Revolving Lender, which Commitment Fee shall accrue at the Applicable Rate per annum on the average daily amount of the undrawn portion of the Revolving Commitment of such Lender during the period from and including the Restatement Date to but excluding the date on which the Lenders' Revolving Commitments terminate; it being understood that the LC Exposure of a Lender shall be included and the Swingline Exposure of a Lender shall be excluded in the drawn portion of the Revolving Commitment of such Lender for purposes of calculating the commitment fee. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Revolving Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrowers agree to pay (i) to the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Term Benchmark Revolving Loans on the daily Dollar Equivalent Amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Restatement Date to but excluding the later of the date on which such Lender's Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% per annum on the daily Dollar Equivalent Amount of the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Restatement Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees and commissions with respect to the issuance, amendment, cancellation, negotiation, transfer, presentment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day

following such last day, commencing on the first such date to occur after the Restatement Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within ten (10) days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrowers agree to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrowers and the Administrative Agent, including, without limitation, in the Fee Letter.

(d) All fees payable hereunder shall be paid on the dates due, in Dollars in immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest.

(a) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Term Benchmark Borrowing shall bear interest at the Adjusted Term SOFR Rate, the Adjusted EURIBOR Rate, as applicable, for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Each RFR Loan shall bear interest at a per annum rate equal to the applicable Daily Simple RFR plus the Applicable Rate.

(d) Notwithstanding the foregoing, during the occurrence and continuance of an Event of Default, the Administrative Agent or the Required Lenders may, at their option, or automatically in the case of any Event of Default pursuant to clauses (h) or (i) of Section VII, by notice to the Borrower Representative (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 9.02 requiring the consent of "each Lender affected thereby" for reductions in interest rates), declare that (i) all Loans shall bear interest at 2% plus the rate otherwise applicable to such Loans as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount outstanding hereunder, such amount shall accrue at 2% plus the rate applicable to such fee or other obligation as provided hereunder.

(e) Accrued interest on each Loan (for ABR Loans, accrued through the last day of the prior calendar month) shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Term Benchmark Loan prior to the end of the

current Interest Period therefor, accrued interest on such Loan shall be payable on the Restatement Date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that (i) interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and (ii) interest shall be computed on the basis of a year of 365 days in the case of Borrowings made in Sterling, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted Term SOFR Rate, Term SOFR Rate, Adjusted Daily Simple SOFR, or Daily Simple SOFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(g) Interest computed by reference to the Term SOFR Rate, Daily Simple SOFR, the EURIBOR Rate or Daily Simple RFR hereunder shall be computed on the basis of a year of 360 days. Interest computed by reference to the Daily Simple RFR with respect to Sterling, the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year). In each case interest shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. The applicable Alternate Base Rate, Adjusted Daily Simple SOFR, Daily Simple SOFR, Adjusted Term SOFR Rate, Term SOFR Rate, Adjusted EURIBOR Rate, EURIBOR Rate or Daily Simple RFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest; Illegality. (a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.14, if:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate, the Term SOFR Rate, the Adjusted EURIBOR Rate, or the EURIBOR Rate, as applicable (including because the EURIBOR Screen Rate or Term SOFR Reference Rate is not available or published on a current basis), for the applicable Agreed Currency and such Interest Period, or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple SOFR, Daily Simple SOFR, Daily Simple RFR or RFR for the applicable Agreed Currency; or

(ii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR Rate, the Adjusted EURIBOR Rate, or the EURIBOR Rate, as applicable, for the applicable Agreed Currency and such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable Agreed Currency and such Interest Period or (B) at any time, the applicable Adjusted

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Daily Simple SOFR, Daily Simple RFR or RFR for the applicable Agreed Currency will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable Agreed Currency;

then the Administrative Agent shall give notice thereof to the Borrower Representative and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until

(x) the Administrative Agent notifies the Borrower Representative and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower Representative delivers a new Interest Election Request in accordance with the terms of Section 2.08 or a new Borrowing Request in accordance with the terms of Section 2.03, (1) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing shall instead be deemed to be an Interest Election Request or a Borrowing Request, as applicable for (x) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not also the subject of Section 2.14(a)(i) or (ii) above or (y) be

repaid or converted into an ABR Borrowing if the Adjusted Daily Simple SOFR also is the subject of Section 2.14(a)(i) or (ii) above and (2) any Borrowing Request that requests an RFR Borrowing shall instead be deemed to be a Borrowing Request, as applicable, for an ABR Borrowing; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then all other Types of Borrowings shall be permitted. Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.14(a) with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower Representative delivers a new Interest Election Request in accordance with the terms of Section 2.08 or a new Borrowing Request in accordance with the terms of Section 2.03, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute (x) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not also the subject of Section 2.14(a)(i) or (ii) above or (y) an ABR Loan if the Adjusted Daily Simple SOFR also is the subject of Section 2.14(a)(i) or (ii) above, on such day, and (2) any RFR Loan shall on and from such day be converted by the Administrative Agent to, and shall constitute an ABR Loan.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document (and any Swap Agreement shall be deemed not to be a "Loan Document" for purposes of this Section 2.14), if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" with respect to Dollars for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" with respect to any

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Agreed Currency for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders of each affected Class.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, with respect to a Loan denominated in dollars, if a Term SOFR Transition Event and its related Benchmark Replacement Date, have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that, this clause (c) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower Representative a Term SOFR Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term SOFR Notice after the occurrence of a Term SOFR Transition Event, and may do so in its sole discretion.

(d) In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(e) The Administrative Agent will promptly notify the Borrower Representative and the Lenders of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming

Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (f) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.14.

(f) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion

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or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either

(A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(g) Upon the Borrower Representative's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower Representative may revoke any request for a Term Benchmark Borrowing or RFR Borrowing of, conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted (1) any request for a Term Benchmark Borrowing into a request for a Borrowing of or conversion to (A) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (B) an ABR Borrowing if the Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event or (2) any such request for an RFR Borrowing into a request for an ABR Borrowing. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Term Benchmark Loan or RFR Loan is outstanding on the date of the Borrower Representative's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until such time as a Benchmark Replacement is implemented pursuant to this Section 2.14, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Loan so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (y) an ABR Loan if the Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event, on such day and (2) any RFR Loan shall on and from such day be converted by the Administrative Agent to, and shall constitute an ABR Loan.

SECTION 2.15. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted Term SOFR Rate or the Adjusted EURIBOR Rate, as applicable) or the Issuing Bank; or

(ii) impose on any Lender or the Issuing Bank or the London or other applicable offshore interbank market for the applicable Agreed Currency any other

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condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting into or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, the Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, the Issuing Bank or such other Recipient hereunder (whether of principal, interest or otherwise), then the Borrowers will pay to such Lender, the Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the Borrowers will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower Representative and shall be conclusive absent manifest error. The Borrowers shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Borrowers shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrower Representative of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such

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increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments.

(a) With respect to Loans that are not RFR Loans, in the event of (i) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Loans), (ii) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09 and is revoked in accordance therewith), or (d) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower Representative pursuant to Section 2.19 or 9.02(d) or (v) the failure by the Borrowers to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Term Benchmark Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (x) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted Term SOFR Rate or the Adjusted EURIBOR Rate, as applicable that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (y) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the applicable Agreed Currency of a comparable amount and period from other banks in the applicable offshore interbank market for such Agreed Currency, whether or not such Term Benchmark Loan was in fact so funded. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower Representative and shall be conclusive absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(b) With respect to RFR Loans, in the event of (i) the payment of any principal of any RFR Loan other than on the Interest Payment Date applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Loans), (ii) the failure to borrow or prepay any RFR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(b) and is revoked in accordance therewith), (iii) the assignment of any RFR Loan other than on the Interest Payment Date applicable thereto as a result of a request by the Borrower Representative pursuant to Section 2.19 or (iv) the failure by the Borrowers to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to

receive pursuant to this Section shall be delivered to the Borrower Representative and shall be conclusive absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.17. Withholding of Taxes; Gross-Up.

(a) Payments Free of Taxes. 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 law. If any applicable law (as determined in the good

faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.17), the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by Loan Parties. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Evidence of Payment. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment, or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower Representative by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable

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or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to setoff and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower Representative and the Administrative Agent, at the time or times reasonably requested by the Borrower Representative or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower Representative or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower Representative or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower Representative or the Administrative Agent as will enable the Borrower Representative or the Administrative Agent to determine whether or not such Lender is subject to backup

withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower Representative and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower Representative or the Administrative Agent), an executed copy of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower Representative and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower

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Representative or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the U.S. is a party (x) with respect to payments of interest under any Loan Document, an executed copy of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) in the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, an executed copy of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit C-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of a Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) an executed copy of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4) to the extent a Foreign Lender is not the beneficial owner, an executed copy of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 or Exhibit C-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 C-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower Representative and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower

Representative or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such

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supplementary documentation as may be prescribed by applicable law to permit the Borrower Representative 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 Code, as applicable), such Lender shall deliver to the Borrower Representative and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower Representative or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower Representative or the Administrative Agent as may be necessary for the Borrower Representative 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 date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower Representative and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph (g) shall not be construed to require any indemnified party to make available its Tax returns (or any other

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information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document (including the Payment in Full of the Secured Obligations).

(i) Defined Terms. For purposes of this Section 2.17, the term "Lender" includes any Issuing Bank and the term "applicable law" includes FATCA.

SECTION 2.18. Payments Generally; Allocation of Proceeds; Sharing of Setoffs.

(a) Except with respect to principal of and interest on Loans denominated in an Alternative Currency, the Borrowers shall make each payment or prepayment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Sections 2.15, 2.16 or 2.17, or otherwise) in Dollars prior to 2:00 p.m., New York, New York time, on the date when due or the date fixed for any prepayment hereunder and (ii) all payments with respect to principal and interest on Loans denominated in an Alternative Currency shall be made in such Alternative Currency not later than the applicable time specified by the Administrative Agent on the dates specified herein, in each case, in immediately available funds, without setoff, recoupment or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 10 South Dearborn, Floor L2, Suite IL1-0480, Chicago, IL 60603-2300, except payments to be made directly to the Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. Unless otherwise provided for herein, if any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in the same currency as the applicable Loan or LC Disbursement is denominated.

(b) Any proceeds of Collateral received by the Administrative Agent (i) not constituting either (A) a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Borrowers), or (B) a mandatory prepayment (which shall be applied in accordance with Section 2.11) or (ii) after an Event of Default has occurred and is continuing and the Administrative Agent so elects or the Required Lenders so direct, shall be applied ratably first, to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent, the Swingline Lender and the Issuing Bank from the Borrowers (other than in connection with Banking Services Obligations or Swap Agreement Obligations), second, to pay any fees or expense reimbursements then due to the Lenders from the Borrowers (other than in connection with

Banking Services Obligations or Swap Agreement Obligations), third, to pay interest then due and payable on the Loans ratably, fourth, to prepay principal on the Loans and unreimbursed LC Disbursements and to pay any amounts owing with respect to Swap Agreement Obligations up to and including the amount most recently provided to the Administrative Agent pursuant to Section 2.22, ratably, fifth, to pay an amount to the Administrative Agent equal to one hundred five percent (105%) of the aggregate LC Exposure, to be held as cash collateral for such Obligations, and sixth, to the payment of any amounts owing in respect of Banking Services Obligations up to and including the amount most recently provided to the Administrative Agent pursuant to Section 2.22, and seventh, to the payment of any other Secured Obligation due to the Administrative Agent or any Lender from the Borrowers or any other Loan Party.

Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Borrower Representative, or unless a Default is in existence, neither the Administrative Agent nor any Lender shall apply any payment which it receives to any Term Benchmark Loan of a Class, except (i) on the expiration date of the Interest Period applicable thereto, or (ii) in the event, and only to the extent, that there are no outstanding ABR Loans of the same Class and, in any such event, the Borrowers shall pay the break funding payment required in accordance with Section

2.16. The Administrative Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations.

Notwithstanding the foregoing, Secured Obligations arising under Banking Services Obligations or Swap Agreement Obligations shall be excluded from the application described above and paid in clause seventh if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may have reasonably requested from the applicable provider of such Banking Services or Swap Agreements.

(c) At the election of the Administrative Agent, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees, costs and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents, may be paid from the proceeds of Borrowings made hereunder, whether made following a request by the Borrower Representative pursuant to Section 2.03 or 2.05 or a deemed request as provided in this Section or may be deducted from any deposit account of the Borrowers maintained with the Administrative Agent. The Borrowers hereby irrevocably authorize (i) the Administrative Agent to make a Borrowing for the purpose of paying each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents and agree that all such amounts charged shall constitute Loans (including Swingline Loans), and that all such Borrowings shall be deemed to have been requested pursuant to Sections 2.03 or 2.05, as applicable, and (ii) the Administrative Agent to charge any deposit account of any Borrower maintained with the Administrative Agent for each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents.

(d) If, except as otherwise expressly provided herein, 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 its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations

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in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other similarly situated Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by all such Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment or sale of a participation in any of its Loans or participations in LC Disbursements and Swingline Loans to any assignee or participant, other than to the Borrowers or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received, prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank pursuant to the terms hereof or any other Loan Document (including any date that is fixed for prepayment by notice from the Borrower Representative to the Administrative Agent pursuant to Section 2.11(e)), notice from the Borrower Representative that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing

Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) If any Lender shall fail to make any payment required to be made by it hereunder, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent, the Swingline Lender or the Issuing Bank to satisfy such Lender's obligations hereunder until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender hereunder. Application of amounts pursuant to (i) and (ii) above shall be made in such order as may be determined by the Administrative Agent in its discretion.

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(g) The Administrative Agent may from time to time provide the Borrowers with account statements or invoices with respect to any of the Secured Obligations (the "Statements"). The Administrative Agent is under no duty or obligation to provide Statements, which, if provided, will be solely for the Borrowers' convenience. Statements may contain estimates of the amounts owed during the relevant billing period, whether of principal, interest, fees or other Secured Obligations. If the Borrowers pay the full amount indicated on a Statement on or before the due date indicated on such Statement, the Borrowers shall not be in default of payment with respect to the billing period indicated on such Statement; provided, that acceptance by the Administrative Agent, on behalf of the Lenders, of any payment that is less than the total amount actually due at that time (including but not limited to any past due amounts) shall not constitute a waiver of the Administrative Agent's or the Lenders' right to receive payment in full at another time.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.15, or if the Borrowers are required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Sections 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.15, or if the Borrowers are required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender becomes a Defaulting Lender, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Sections 2.15 or 2.17) and obligations under this Agreement and other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrowers shall have received the prior written consent of the Administrative Agent (and in circumstances where its consent would be required under Section 9.04, the Issuing Bank and the Swingline Lender), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a

result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply. Each party hereto agrees that (i) an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower Representative, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and (ii) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

SECTION 2.20. Defaulting Lenders.

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Revolving Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 2.18(b) or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Bank or Swingline Lender hereunder; third, to cash collateralize LC Exposure with respect to such Defaulting Lender in accordance with this Section; fourth, as the Borrower Representative may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower Representative, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) cash collateralize future LC Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with this Section; sixth, to the payment of any amounts owing to the Lenders, the Issuing Banks or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Banks or Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by the Borrowers against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or

under any other Loan Document; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or LC Disbursements in respect of which such Defaulting Lender has not

fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and LC Disbursements owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in the Borrowers' obligations corresponding to such Defaulting Lender's LC Exposure and Swingline Loans are held by the Lenders pro rata in accordance with the Commitments without giving effect to clause (d) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto;

(c) such Defaulting Lender shall not have the right to vote on any issue on which voting is required (other than to the extent expressly provided in Section 9.02(b)) and the Commitment and Revolving Exposure shall not be included in determining whether the Required Lenders have taken or may take any action hereunder or under any other Loan Document; provided that, except as otherwise provided in Section 9.02, this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby;

(d) if any Swingline Exposure or LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender (other than the portion of such Swingline Exposure referred to in clause (b) of the definition of such term) shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only (x) to the extent that the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time) and (y) to the extent that such reallocation does not, as to any non-Defaulting Lender, cause such non-Defaulting Lender's Revolving Exposure to exceed its Revolving Commitment;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one (1) Business Day following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize, for the benefit of the Issuing Bank, the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

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(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Sections 2.12(a) and 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(e) so long as such Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend, renew, extend or increase any Letter of Credit, unless it is satisfied that the related exposure and such

Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.20(d), and Swingline Exposure related to any such newly made Swingline Loan or LC Exposure related to any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.20(d)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event or a Bail-In Action with respect to the Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Swingline Lender or the Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or the Issuing Bank, as the case may be, shall have entered into arrangements with the Borrower or such Lender, satisfactory to the Swingline Lender or the Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that each of the Administrative Agent, the Borrower, the Swingline Lender and the Issuing Bank agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Commitment and on the date of such readjustment such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

SECTION 2.21. Returned Payments. If, after receipt of any payment which is applied to the payment of all or any part of the Obligations (including a payment effected through exercise of a right of setoff), the Administrative Agent or any Lender is for any reason compelled to surrender such payment or proceeds to any Person because such payment or application of proceeds is invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion), then the Obligations or part thereof intended to be satisfied shall be revived and continued and this Agreement shall continue in full force as if such payment or proceeds had not been received by the Administrative Agent or such Lender. The provisions of this Section 2.21 shall be and remain effective notwithstanding any contrary action which may have been taken by the Administrative Agent or any Lender in reliance upon such payment or application of proceeds. The provisions of this Section 2.21 shall survive the termination of this Agreement.

SECTION 2.22. Banking Services and Swap Agreements. Each Lender or Affiliate thereof providing Banking Services for, or having Swap Agreements with, any Loan Party or any Subsidiary or Affiliate of a Loan Party shall deliver to the Administrative Agent, promptly after entering into such Banking Services or Swap Agreements, written notice setting forth the aggregate amount of all Banking Services Obligations and Swap Agreement Obligations of such Loan Party or Subsidiary to such Lender or Affiliate (whether matured or unmatured, absolute or contingent). In furtherance of that requirement, each such Lender or Affiliate thereof shall furnish the Administrative Agent, from time to time after a significant change therein or upon a request therefor, a summary of the amounts due or to become due in respect of such Banking Services Obligations and Swap Agreement Obligations. The most recent information provided to the Administrative Agent shall be used in determining which tier of the waterfall, contained in Section 2.18(b), such Banking Services Obligations and/or Swap Agreement Obligations will be placed. For the avoidance of doubt, so long as Chase or its Affiliate is the Administrative Agent, neither Chase nor any of its Affiliates providing Banking Services for, or having Swap Agreements with, any Loan Party or any Subsidiary or Affiliate of a Loan Party shall be required to provide any notice described in this Section 2.22 in respect of such Banking Services or Swap Agreements.

ARTICLE III

Representations and Warranties

Each Loan Party represents and warrants to the Lenders that (and where applicable, agrees):

SECTION 3.01. Organization; Powers. Each Loan Party and each Subsidiary is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's corporate or other organizational powers and have been duly authorized by all necessary corporate or other organizational actions and, if required, actions by equity holders. Each Loan Document to which each Loan Party is a party has been duly executed and delivered by such Loan Party and constitutes a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (b) will not violate any Requirement of Law applicable to any Loan Party or any Subsidiary, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Loan Party or any Subsidiary or the assets of any Loan Party or any Subsidiary, or give rise to a right thereunder to require any payment to be made by any Loan Party or any Subsidiary, and (d) will not result in the creation or imposition of, or other requirement to create, any Lien on any asset of any Loan Party or any Subsidiary, except Liens created pursuant to the Loan Documents.

SECTION 3.04. Financial Condition; No Material Adverse Change.

(a) The Company (in the form of MDC Partners Inc.) and Stagwell Marketing heretofore furnished to the Lenders (i) audited consolidated financial statements of each of the Company (in the form of MDC Partners Inc.) and Stagwell Marketing as of and for the fiscal year ended December 31, 2020, and (ii) unaudited interim consolidated financial statements of the Company as of and for the fiscal quarter and the portion of the 12-month period ended March 31, 2021, certified by its respective chief financial officer or president. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Company and Stagwell Marketing, as of such dates and for such periods in accordance with GAAP, subject to normal year-end audit adjustments all of which, when taken as a whole, would not be materially adverse and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) No event, change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect, since December 31, 2020.

SECTION 3.05. Properties.

(a) As of the date of this Agreement, Schedule 3.05 sets forth the address of each parcel of real property that is owned or leased by any Loan Party. Each of such leases and subleases is valid and enforceable in accordance with its terms and is in full force and effect, and no default by any party to any such lease or sublease exists. Each of the Loan Parties and each Subsidiary has good and indefeasible title to, or valid leasehold interests in, all of its real and personal property, free of all Liens other than those permitted by Section 6.02.

(b) Each Loan Party and each Subsidiary owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property necessary to its business as currently conducted, a correct and complete list of which, as of the date of this Agreement, is set forth on Schedule 3.05, and the use thereof by each Loan Party and each Subsidiary does not infringe in any material respect upon the rights of any other Person, and each Loan Party's and each Subsidiary's rights thereto are not subject to any licensing agreement or similar arrangement except as disclosed on Schedule 3.05.

SECTION 3.06. Litigation and Environmental Matters.

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Loan Party, threatened against or affecting any Loan Party or any Subsidiary (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters set forth on Schedule 3.06) or (ii) that involve any Loan Document or the Transactions.

(b) Except for the Disclosed Matters, (i) no Loan Party or any Subsidiary has received notice of any claim with respect to any Environmental Liability or knows of any basis for any Environmental Liability and (ii) and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, no Loan Party or any Subsidiary (A) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law (B) has become subject to any Environmental Liability, (C) has received notice of any claim with respect to any Environmental Liability or (D) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 3.07. Compliance with Laws and Agreements; No Default. Except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, each Loan Party and each Subsidiary is in compliance with (i) all Requirements of Law applicable to it or its property and (ii) all indentures, agreements and other instruments binding upon it or its property. No Default has occurred and is continuing.

SECTION 3.08. Investment Company Status. No Loan Party or any Subsidiary is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes. Other than as set forth in Schedule 3.09, each Loan Party and each Subsidiary has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party or such Subsidiary, as applicable, has set aside on its books adequate reserves or

(b) to the extent that the failure to do so could not be expected to result in a Material Adverse Effect. Except as set forth on Schedule 6.02 and to the knowledge of any of the Borrowers, no tax liens have been filed and no claims are being asserted with respect to any such taxes.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$500,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$500,000 the fair market value of the assets of all such underfunded Plans.

SECTION 3.11. Disclosure. The Loan Parties have disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which any Loan Party or any Subsidiary 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. None of the reports, financial statements, certificates or other information furnished by or on behalf of any Loan Party or any Subsidiary to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document (as modified or supplemented by other information so furnished) 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 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 delivered and, if such projected financial information was delivered prior to the Restatement Date, as of the Restatement Date.

SECTION 3.12. Material Agreements. All material agreements and contracts to which any Loan Party is a party or is bound as of the date of this Agreement are listed on Schedule 3.12. No Loan Party is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in (i) any material agreement to which it is a party or (ii) any agreement or instrument evidencing or governing Indebtedness.

SECTION 3.13. Solvency.

(a) Immediately after the consummation of the Transactions to occur on the Restatement Date, (i) the fair value of the assets of each Loan Party, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of each Loan Party will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) each Loan Party will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) no Loan Party will have unreasonably

small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted after the Restatement Date.

(b) No Loan Party intends to, nor will permit any Subsidiary to, and no Loan Party believes that it or any Subsidiary will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it or any such Subsidiary and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Subsidiary.

SECTION 3.14. Insurance. Schedule 3.14 sets forth a description of all insurance maintained by or on behalf of the Loan Parties and their Subsidiaries as of the Restatement Date. As of the Restatement Date, all premiums in respect of such insurance have been paid. The Loan Parties believe that the insurance maintained by or on behalf of the Loan Parties and their Subsidiaries is adequate and is customary for companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 3.15. Capitalization and Subsidiaries. Schedule 3.15 sets forth (a) a correct and complete list of the name and relationship to the Borrowers and each Subsidiary, (b) a true and complete listing of each class of each of the Borrowers' authorized Equity Interests, of which all of such issued Equity Interests are validly issued, outstanding, fully paid and non-assessable, and owned beneficially and of record by the Persons identified on Schedule 3.15, and (c) the type of entity of the Company and each Subsidiary. All of the issued and outstanding Equity Interests owned by any Loan Party have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and non-assessable.

SECTION 3.16. Security Interest in Collateral. The provisions of this Agreement and the other Loan Documents create legal and valid Liens on all the Collateral in favor of the Administrative Agent, for the benefit of the Secured Parties, and once necessary filings are accomplished such Liens constitute perfected and continuing Liens on the Collateral, securing the Secured Obligations, enforceable against the applicable Loan Party and all third parties, and having priority over all other Liens on the Collateral except in the case of (a) Permitted Encumbrances, to the extent any such Permitted Encumbrances would have priority over the Liens in favor of the Administrative Agent pursuant to any applicable law or agreement and (b) Liens perfected only by possession (including possession of any certificate of title), to the extent the Administrative Agent has not obtained or does not maintain possession of such Collateral.

SECTION 3.17. Employment Matters. The hours worked by and payments made to employees of the Loan Parties and their Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable federal, state, local or foreign law dealing with such matters. All payments due from any Loan Party or any Subsidiary, or for which any claim may be made against any Loan Party or any Subsidiary, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of such Loan Party or such Subsidiary.

SECTION 3.18. Margin Regulations. No Loan Party is engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying

Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing, not more than 25% of the value of the assets (either of any Loan Party only or of the Loan Parties and their Subsidiaries on a consolidated basis) will be Margin Stock.

SECTION 3.19. Use of Proceeds. The proceeds of the Loans have been used and will be used, whether directly or indirectly as set forth in Section 5.08.

SECTION 3.20. No Burdensome Restrictions. No Loan Party is subject to any Burdensome Restrictions except Burdensome Restrictions permitted under Section 6.10.

SECTION 3.21. Anti-Corruption Laws and Sanctions. Each Loan Party has implemented and maintains in effect policies and procedures designed to ensure compliance by such Loan Party, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and such Loan Party, its Subsidiaries and their respective officers and directors and, to the knowledge of such Loan Party, its employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in any Loan Party being designated as a Sanctioned Person. None of (a) any Loan Party, any Subsidiary, any of their respective directors or officers or employees, or (b) to the knowledge of any such Loan Party or Subsidiary, any agent of such Loan Party or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds, Transaction or other transaction contemplated by this Agreement or the other Loan Documents will violate Anti-Corruption Laws or applicable Sanctions.

SECTION 3.22. Affiliate Transactions. Other than employment agreements and except as set forth on Schedule 3.22, as of the date of this Agreement, there are no existing or proposed agreements, arrangements, understandings or transactions between any Loan Party and any of the officers, members, managers, directors, stockholders, parents, holders of other Equity Interests, employees or Affiliates (other than Subsidiaries) of any Loan Party or any members of their respective immediate families, and none of the foregoing Persons is directly or indirectly indebted to or has any direct or indirect ownership, partnership, or voting interest in any Affiliate of any Loan Party or any Person with which any Loan Party has a business relationship or which competes with any Loan Party.

SECTION 3.23. Affected Financial Institutions. No Loan Party is an Affected Financial Institution.

SECTION 3.24. Plan Assets; Prohibited Transactions. None of the Loan Parties or any of their Subsidiaries is an entity deemed to hold "plan assets" (within the meaning of the Plan Asset Regulations), and neither the execution, delivery nor performance of the transactions contemplated under this Agreement, including the making of any Loan hereunder, will give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

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SECTION 3.25. Common Enterprise. The successful operation and condition of each of the Loan Parties is dependent on the continued successful performance of the functions of the group of the Loan Parties as a whole and the successful operation of each of the Loan Parties is dependent on the successful performance and operation of each other Loan Party. Each Loan Party expects to derive benefit (and its board of directors or other governing body has determined that it may reasonably be expected to derive benefit), directly and indirectly, from (a) successful operations of each of the other Loan Parties and (b) the credit extended by the Lenders to the Borrowers hereunder, both in their separate capacities and as members of the group of companies. Each Loan Party has determined that execution, delivery, construction and performance of this Agreement and any other Loan Documents to be executed by such Loan Party is within its purpose, in furtherance of its direct and/or indirect business interests, will be of direct and indirect benefit to such Loan Party, and is in its best interest.

SECTION 3.26. Covered Entity. No Loan Party is a Covered Party.

SECTION 3.27. Beneficial Ownership. As of the Restatement Date, the information included in the Beneficial Ownership Certification delivered pursuant to Section 4.01 is true and correct in all respects.

ARTICLE IV

Conditions

SECTION 4.01. Restatement Date. The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) Credit Agreement and Loan Documents. The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include fax or other electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement (ii) duly executed copies of the Loan Documents and such other certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the transactions contemplated by this Agreement and the other Loan Documents, including any promissory notes requested by a Lender pursuant to Section 2.10 payable to the order of each such requesting Lender, and (iii) written opinions of the Loan Parties' counsel (including opinions of foreign counsel to the Borrowers), addressed to the Administrative Agent, the Issuing Bank and the Lenders in form and substance satisfactory to the Administrative Agent.

(b) Transaction Agreement. The Administrative Agent shall have received the MDC Transaction Agreement, and the MDC Transaction Agreement shall not have been altered, amended or otherwise changed or supplemented or any condition therein waived in a manner materially adverse to the Administrative Agent or the Lenders without the prior written consent

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of the Administrative Agent, such consent not to be unreasonably withheld, delayed or conditioned.

(c) Business Combination. The Business Combination shall have been consummated prior to, or shall be consummated substantially concurrently with, the closing of the Credit Agreement, on terms and conditions and subject to documentation in form and substance reasonably satisfactory to the Administrative Agent and the Lenders (provided that the Business Combination having been consummated on terms consistent with the MDC Transaction Agreement shall be deemed to be reasonably satisfactory to the Administrative Agent and the Lenders).

(d) Financial Statements and Projections. The Lenders shall have received (i) satisfactory audited consolidated financial statements of the Company (in the form of MDC Partners Inc.) and Stagwell Marketing for the 2020 fiscal year, (ii) satisfactory unaudited interim consolidated financial statements for the Company (in the form of MDC Partners Inc.) and Stagwell Marketing for each fiscal quarter ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available, including the period ending March 31, 2021, and (iii) a copy of the plan and forecast (including a projected consolidated and consolidating balance sheet, income statement and cash flow statement) of the Company for the five year period following the Restatement Date in form reasonably satisfactory to the Administrative Agent.

(e) Closing Certificates; Certified Certificate of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Restatement Date and executed by its Secretary or Assistant Secretary, which shall (A) certify the resolutions of its Board of Directors, members or other body authorizing the execution, delivery and performance of the Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the officers of such Loan Party authorized to sign the Loan Documents to which it is a party and, in the case of a Borrower, its Financial Officers, and (C) contain appropriate attachments, including the charter, articles or certificate of organization or incorporation of each Loan Party certified by the relevant authority of the jurisdiction of organization of such Loan Party and a true and correct copy of its bylaws or operating, management or partnership agreement, or other organizational or governing documents, and (ii) a long form good standing certificate for each Loan Party from its jurisdiction of organization.

(f) No Default Certificate. The Administrative Agent shall have received a certificate, signed by the chief financial officer or president of each Borrower, dated as of the Restatement Date (i) stating that no Default or Event of Default has occurred and is continuing, (ii) stating that the representations and warranties contained in the Loan Documents are true and correct as of such date, and (iii) certifying as to any other factual matters as may be reasonably requested by the Administrative Agent.

(g) Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid, and all expenses required to be reimbursed for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Restatement Date. All such amounts will be paid with proceeds of Loans made on the

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Restatement Date and will be reflected in the funding instructions given by the Borrower Representative to the Administrative Agent on or before the Restatement Date.

(h) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in the jurisdiction of organization of each Loan Party and each jurisdiction where assets of the Loan Parties are located, and such search shall reveal no Liens on any of the assets of the Loan Parties except for liens permitted by Section 6.02 or discharged on or prior to the Restatement Date pursuant to a payoff letter or other documentation satisfactory to the Administrative Agent.

(i) Payoff Letter. The Administrative Agent shall have received satisfactory payoff letters for the Term Loan Credit Agreement, the MDC Credit Agreement and all other existing Indebtedness required to be repaid and which confirms that all Liens upon any of the property of the Loan Parties constituting Collateral will be terminated concurrently with such payment and all letters of credit issued or guaranteed as part of such Indebtedness shall constitute Existing Letters of Credit issued under this Agreement.

(j) Funding Account. The Administrative Agent shall have received a notice setting forth the deposit accounts of each Borrower (the "Funding Accounts") to which the Administrative Agent is authorized by each Borrower to transfer the proceeds of any Borrowings requested or authorized pursuant to this Agreement.

(k) Solvency. The Administrative Agent shall have received a solvency certificate signed by a Financial Officer of the Company dated the Restatement Date in form and substance reasonably satisfactory to the Administrative Agent.

(l) Pledged Equity Interests; Stock Powers; Pledged Notes. Subject to Section 9.25(a), the Administrative Agent shall have received (i) the certificates representing the Equity Interests pledged pursuant to the Security Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof, (ii) each promissory note (if any) pledged to the Administrative Agent pursuant to the Security Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof, and (iii) the Pledge Agreements.

(m) Filings, Registrations and Recordings. The Administrative Agent shall have received from each of the Loan Parties a completed perfection certificate, dated the Restatement Date and signed on behalf of such Loan Party, together with all attachments contemplated thereby. Each document (including any Uniform Commercial Code financing statement) required by the Collateral Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 6.02), shall be in proper form for filing, registration or recordation.

(n) [reserved].

(o) Insurance. The Administrative Agent shall have received evidence of insurance coverage in form, scope, and substance reasonably satisfactory to the Administrative Agent and otherwise in compliance with the terms of Section 5.10 of this Agreement and Section 4.12 of the Security Agreement.

(p) Letter of Credit Application. The Administrative Agent shall have received a properly completed letter of credit application (whether standalone or pursuant to a master agreement, as applicable) if the issuance of a Letter of Credit will be required on the Restatement Date.

(q) Consents. All governmental and third party approvals necessary in connection with the financing contemplated hereby and the continuing operations of the Borrowers and their Subsidiaries (including shareholder approvals, if any) shall have been obtained on satisfactory terms and shall be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the financing or any of the transactions contemplated hereby.

(r) Legal Due Diligence. The Administrative Agent and its counsel shall have completed all legal due diligence, the results of which shall be satisfactory to Administrative Agent in its sole discretion, and the debt instruments, material accounts, and governing documents of the Borrowers shall be acceptable to the Administrative Agent.

(s) USA PATRIOT Act, Etc. The Administrative Agent shall have received, (i) at least five (5) days prior to the Restatement Date, all documentation and other information regarding the Borrowers requested in connection with applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act (ii) to the extent the Borrowers qualify as a "legal entity customer" under the Beneficial Ownership Regulation, at least five (5) days prior to the Restatement Date, a Beneficial Ownership Certification in relation to each Borrower, and (iii) a properly completed and signed IRS Form W-8 or W-9, as applicable, for each Loan Party.

(t) Maintenance of Accounts. Subject to exceptions to be mutually agreed by the Borrowers and the Administrative Agent, the Borrowers and their domestic Subsidiaries shall have established the Administrative Agent as its principal depository bank, including for the maintenance of operating, administrative, cash management, collection activity, and other deposit accounts for the conduct of the Borrowers' and their domestic Subsidiaries' business.

(u) Other Documents. The Administrative Agent shall have received such other documents as the Administrative Agent, the Issuing Bank, any Lender or their respective counsel may have reasonably requested. The Administrative Agent shall notify the Borrowers, the Lenders and the Issuing Bank of the Restatement Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 2:00 p.m.,

New York, New York time, on August 2, 2021 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Loan Parties set forth in the Loan Documents shall be true and correct in all material respects with the same effect as though made on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date, and that any representation or warranty which is subject to any materiality qualifier shall be required to be true and correct in all respects).

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing.

(c) After giving effect to any Borrowing or the issuance, amendment, renewal or extension of any Letter of Credit, Availability shall not be less than zero.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a) and (b) and (c) of this Section.

Notwithstanding the failure to satisfy the conditions precedent set forth in paragraphs (a) or (b) or (c) of this Section, the Administrative Agent, with the consent of the Required Lenders, may, but shall have no obligation to, continue to make Loans and an Issuing Bank, with the consent of the Required Lenders, may, but shall have no obligation to, issue, amend, renew or extend, or cause to be issued, amended, renewed or extended, any Letter of Credit for the ratable account and risk of Lenders from time to time if the Administrative Agent believes that making such Loans or issuing, amending, renewing or extending, or causing the issuance, amendment, renewal or extension of, any such Letter of Credit is in the best interests of the Lenders.

ARTICLE V

Affirmative Covenants

Until all of the Secured Obligations shall have been Paid in Full, each Loan Party executing this Agreement covenants and agrees, jointly and severally with all of the other Loan Parties, with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. The Borrowers will furnish to the Administrative Agent and each Lender, including their Public-Siders:

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(a) within one hundred twenty (120) days after the end of each fiscal year of PublicCo, audited consolidated and consolidating balance sheet and related statements of operations, stockholders' equity and cash flows of PublicCo, the Company, the other Loan Parties and their Subsidiaries as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by independent public accountants of recognized national standing (without a "going concern" or like qualification, commentary or exception, and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of PublicCo, the Company, and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, accompanied by any management or control letter, if any, prepared by said accountants in connection with such financial statements;

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of PublicCo, the consolidated and consolidating balance sheet and related statements of operations, stockholders' equity and cash flows of PublicCo, the Company, the other Loan Parties and their Subsidiaries as of the end of and for such fiscal quarter and the then elapsed portion of such fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer of the Borrower Representative as presenting fairly in all material respects the financial condition and results of operations of PublicCo, the Company, and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a Compliance Certificate (i) certifying, in the case of the financial statements delivered under clause (b) above, as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes, (ii) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (iii) setting forth reasonably detailed calculations demonstrating compliance with Sections 6.12(a) and (b) and (iv) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) [reserved];

(e) within ninety (90) days after the end of each fiscal year of PublicCo, a copy of the plan and forecast (including a projected consolidated and consolidating balance sheet, income statement and cash flow statement) of the Company for each month of the upcoming fiscal year (the "Projections") in form reasonably satisfactory to the Administrative Agent;

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(f) concurrently with any delivery of each Compliance Certificate, a detailed listing of all intercompany loans made by any Loan Party to any Affiliate that is not a Loan Party during such fiscal quarter;

(g) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by any Loan Party or any Subsidiary with the SEC, or any Governmental Authority succeeding to any or all of the functions of the SEC, or with any national securities exchange;

(h) promptly following any request therefor, (x) such other information regarding the operations, changes in ownership of Equity Interests, business affairs and financial condition of any Loan Party or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request and (y) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation; and

(i) promptly after any request therefor by the Administrative Agent or any Lender, copies of (i) any documents described in Section 101(k)(1) of ERISA that the Company or any ERISA Affiliate may request with respect to any Multiemployer Plan and (ii) any notices described in Section 101(l)(1) of ERISA that the Company or any ERISA Affiliate may request with respect to any Multiemployer Plan; provided that if the Company or any ERISA Affiliate has not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, the Company or the applicable ERISA Affiliate shall promptly make a request for such documents and notices from such administrator or sponsor and shall provide copies of such documents and notices promptly after receipt thereof.

SECTION 5.02. Notices of Material Events. The Borrowers will furnish to the Administrative Agent and each Lender prompt (but in any event within any time period that may be specified below) written notice of the following:

(a) the occurrence of any Default;

(b) receipt of any notice of any investigation by a Governmental Authority or any litigation or proceeding commenced or threatened against any Loan Party or any Subsidiary as to which there is a reasonable possibility of an adverse determination and that (i) seeks damages in excess of \$2,000,000, (ii) seeks injunctive relief, (iii) is asserted or instituted against any Plan, its fiduciaries or its assets, (iv) alleges criminal misconduct by any Loan Party or any Subsidiary, (v) alleges the violation of, or seeks to impose remedies under, any Environmental Law or related Requirement of Law, or seeks to impose Environmental Liability, (vi) asserts liability on the part of any Loan Party or any Subsidiary in excess of \$2,000,000 in respect of any tax, fee, assessment, or other governmental charge, or (vii) involves any product recall;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Loan Parties and their Subsidiaries in an aggregate amount exceeding \$500,000;

(d) within two (2) Business Days after the occurrence thereof, any Loan Party entering into a Swap Agreement or an amendment to a Swap Agreement, together with copies of all agreements evidencing such Swap Agreement or amendment;

(e) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect;

(f) the occurrence of a Reportable Compliance Event;

(g) any change in the information provided in the Beneficial Ownership Certification delivered to such Lender that would result in a change to the list of beneficial owners identified in such certification; and

(h) any amendment or waiver of the terms of, or consent or forbearance, or other modification of, or any mandatory prepayment event, or notice of default under, the MDC Notes Documents. Each notice delivered under this Section (i) shall be in writing and (ii) shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower Representative setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. Each Loan Party will, and will cause each Subsidiary to, (a) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, licenses, permits, franchises, governmental authorizations, intellectual property rights, licenses and permits material to the conduct of its business, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03 and

(b) carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted.

SECTION 5.04. Payment of Obligations. Each Loan Party will, and will cause each Subsidiary to, pay or discharge all Material Indebtedness and all other material liabilities and obligations, including Taxes, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Loan Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect; provided, however, that each Loan Party will, and will cause each Subsidiary to, remit withholding taxes and other payroll taxes to appropriate Governmental Authorities as and when claimed to be due, notwithstanding the foregoing exceptions.

SECTION 5.05. Maintenance of Properties. Each Loan Party will, and will cause each Subsidiary to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

SECTION 5.06. Books and Records; Inspection Rights. Each Loan Party will, and will cause each Subsidiary to, (a) keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities

and (b) permit any representatives designated by the Administrative Agent or any Lender (including employees of the Administrative Agent, any Lender or any consultants, accountants, lawyers, agents and appraisers retained by the Administrative Agent), upon reasonable prior notice, to

visit and inspect its properties, conduct at the Loan Party's premises field examinations of the Loan Party's assets, liabilities, books and records, including examining and making extracts from its books and records, environmental assessment reports and Phase I or Phase II studies, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested. The Loan Parties acknowledge that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain Reports pertaining to the Loan Parties' assets for internal use by the Administrative Agent and the Lenders.

SECTION 5.07. Compliance with Laws and Material Contractual Obligations.

Each Loan Party will, and will cause each Subsidiary to, (i) comply with each Requirement of Law applicable to it or its property (including without limitation Environmental Laws) and (ii) perform in all material respects its obligations under material agreements to which it is a party, except, in each case, where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. Each Loan Party will maintain in effect and enforce policies and procedures designed to ensure compliance by such Loan Party, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 5.08. Use of Proceeds.

(a) The proceeds of the Loans and the Letters of Credit will be used only to finance the Transactions, for working capital needs, for general corporate purposes of the Company and its subsidiaries in the ordinary course of business, to refinance certain Indebtedness under the Existing Credit Agreement, the Term Loan Credit Agreement and the MDC Credit Agreement on the Restatement Date, and finance Permitted Acquisitions and dividends and distributions, in each case, to the extent such dividends, and distributions are permitted under the terms of this Agreement. No part of the proceeds of any Loan and no Letter of Credit will be used, whether directly or indirectly, (i) for any purpose that entails a violation of any of the regulations of the Federal Reserve Board, including Regulations T, U and X or (ii) to make any Acquisition other than Permitted Acquisitions or related Earn-out payments to the extent permitted hereunder.

(b) The Borrowers will not request any Borrowing or Letter of Credit, and no Borrower shall use, and each Borrower shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for a Person required to comply with Sanctions, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.09. Accuracy of Information. The Loan Parties will ensure that any information, including financial statements or other documents, furnished to the Administrative

Agent or the Lenders in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder contains no 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 misleading, and the furnishing of such information shall be deemed to be a representation and warranty by the Borrowers on the date thereof as to the matters specified in this Section 5.09; provided that, with respect to the Projections, the Loan Parties will cause the Projections to be prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 5.10. Insurance. Each Loan Party will, and will cause each Subsidiary to, maintain with financially sound and reputable carriers having a financial strength rating of at least A- by A.M. Best Company (a) insurance in such amounts (with no greater risk retention) and against such risks (including loss or damage by fire and loss in transit; theft, burglary, pilferage, larceny, embezzlement, and other criminal activities; business interruption; and general liability) and such other hazards, as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) all insurance required pursuant to the Collateral Documents. The

Borrowers will furnish to the Lenders, upon request of the Administrative Agent, but no less frequently than annually, information in reasonable detail as to the insurance so maintained.

With respect to each real property subject to a Mortgage that is located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a "special flood hazard area" with respect to which flood insurance has been made available under Flood Insurance Laws, the applicable Loan Party (A) has obtained and will maintain, with financially sound and reputable insurance companies (except to the extent that any insurance company insuring such real property ceases to be financially sound and reputable after the Restatement Date, in which case, the applicable Loan Party shall promptly replace such insurance company with a financially sound and reputable insurance company), such flood insurance in such reasonable total amount as the Administrative Agent and the Lenders may from time to time reasonably require, and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (B) promptly upon request of the Administrative Agent or any Lender, will deliver to the Administrative Agent or such Lender, as applicable, evidence of such compliance in form and substance reasonably acceptable to the Administrative Agent or such Lender, including, without limitation, evidence of annual renewals of such insurance.

SECTION 5.11. Casualty and Condemnation. The Borrowers (a) will furnish to the Administrative Agent and the Lenders prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of the Collateral or interest therein under power of eminent domain or by condemnation or similar proceeding and (b) will ensure that the Net Proceeds of any such event (whether in the form of insurance proceeds, condemnation awards or otherwise) are collected and applied in accordance with the applicable provisions of this Agreement and the Collateral Documents.

SECTION 5.12. People With Significant Control Regime (United Kingdom). The Borrowers will, and will cause each other Loan Party and each Subsidiary to (a) within the

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relevant timeframe, comply with any notice it receives pursuant to Part 21A of the United Kingdom Companies Act 2006 from any company incorporated in the United Kingdom whose shares are the subject of Liens under the Collateral Documents and (b) promptly provide the Administrative Agent with a copy of that notice.

SECTION 5.13. Depository Banks. Subject to exceptions to be mutually agreed by the Borrowers and the Administrative Agent, the Borrowers and their domestic Subsidiaries will maintain the Administrative Agent or one of the Lenders as its principal depository bank, including for the maintenance of operating, administrative, cash management, collection activity, and other deposit accounts for the conduct of its business; ~~and all such deposit accounts will be subject to control agreements in favor of the Administrative Agent for the benefit of the Secured Parties or otherwise subject to a perfected security interest in favor of the Administrative Agent for the benefit of the Secured Parties.~~

SECTION 5.14. Additional Collateral; Further Assurances.

(a) Subject to applicable Requirements of Law, each Loan Party will cause each of its Material Domestic Subsidiaries (excluding any CFC Holdco and any Receivables Subsidiary) to become a Loan Party by executing a Joinder Agreement within 30 days of the acquisition or formation of such Subsidiary. In connection therewith, the Administrative Agent shall have received all documentation and other information regarding such Subsidiaries as may be required to comply with the applicable "know your customer" rules and regulations, including the USA Patriot Act and the Beneficial Ownership Regulation. Upon execution and delivery thereof, each such Person (i) shall automatically become a Loan Guarantor and (ii) will grant Liens to the Administrative Agent, for the benefit of the Administrative Agent and the other Secured Parties, in any property of such Loan Party which constitutes Collateral, including any parcel of real property located in the U.S. owned by any Loan Party.

(b) Each Loan Party will cause (i) 100% of the issued and outstanding Equity Interests of each of its Material Domestic Subsidiaries and (ii)(x) 65% of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and (y) to

the extent not prohibited by applicable Requirements of Law, 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 case, in each Material Foreign Subsidiary directly owned by a Borrower or any domestic Subsidiary to be subject at all times to a first priority, perfected Lien in favor of the Administrative Agent for the benefit of the Administrative Agent and the other Secured Parties, pursuant to the terms and conditions of the Loan Documents or other security documents as the Administrative Agent shall reasonably request; provided that if any Subsidiary is less than wholly owned, any Equity Interests held by a Person that is not a Subsidiary of a Borrower shall not be required to be pledged (other than with respect to the equity interests of Targeted Victory, LLC) pursuant to this clause (b) or otherwise.

(c) Without limiting the foregoing, each Loan Party will, and will cause each Material Subsidiary to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents and such other actions or deliveries of the

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type required by Section 4.01, as applicable), which may be required by any Requirement of Law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all in form and substance reasonably satisfactory to the Administrative Agent and all at the expense of the Loan Parties.

(d) If any material assets (including any Material Real Property or improvements thereto or any interest therein) are acquired by any Loan Party after the Amendment No. 2 Effective Date (other than assets constituting Collateral under the Security Agreement that become subject to the Lien under the Security Agreement upon acquisition thereof), the Borrower Representative will (i) provide prior written notice (or, in the case of Acquisitions with aggregate consideration less than \$50,000,000, within thirty (30) days following the acquisition thereof) to the Administrative Agent and the Lenders thereof, and, if requested by the Administrative Agent or the Required Lenders, cause such assets to be subjected to a Lien securing the Secured Obligations or, in the case of any Material Real Property, to be subjected to a negative pledge agreement in form and substance satisfactory to the Administrative Agent and

(ii) take, and cause each applicable Loan Party to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (c) of this Section, all at the expense of the Loan Parties.

(e) Notwithstanding the foregoing, the Administrative Agent shall not enter into any Mortgage in respect of any real property until (1) the date that occurs 30 days after the Administrative Agent has delivered to the Lenders (which may be delivered electronically) the following documents in respect of such real property: (i) a completed flood hazard determination from a third party vendor; (ii) if such real property is located in a "special flood hazard area", (A) a notification to the Borrower Representative (or applicable Loan Party) of that fact and (if applicable) notification to the Borrower Representative (or applicable Loan Party) that flood insurance coverage is not available and (B) evidence of the receipt by the Borrower Representative (or applicable Loan Party) of such notice; and (iii) if such notice is required to be provided to the Borrower Representative (or applicable Loan Party) and flood insurance is available in the community in which such real property is located, evidence of required flood insurance and (2) the Administrative Agent shall have received written confirmation from each of the Lenders that flood insurance due diligence and flood insurance compliance has been completed by the Lenders (such written confirmation not to be unreasonably conditioned, withheld or delayed).

(f) Notwithstanding anything in this Agreement or otherwise to the contrary, (a) no CFC Holdco or Material Foreign Subsidiary shall be required to become a Guarantor or provide any Collateral, and (b) no Equity Interests of a CFC Holdco or foreign Subsidiary shall be pledged or subject to Collateral, other than up to 65% of the voting Equity Interests in a first tier CFC Holdco or a Material Foreign Subsidiary and, to the extent not prohibited by applicable Requirements of Law, 100% of the non-voting Equity Interests of a first tier CFC Holdco that is a Material Foreign Subsidiary and Material Foreign Subsidiaries.

SECTION 5.15. Post-Closing Requirements.

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The Loan Parties shall perform or cause to be performed each of the conditions subsequent set forth in Schedule 5.15 within the time periods specified therein.

ARTICLE VI

Negative Covenants

Until all of the Secured Obligations shall have been Paid in Full, each Loan Party executing this Agreement covenants and agrees, jointly and severally with all of the other Loan Parties, with the Lenders that:

SECTION 6.01. Indebtedness. No Loan Party will, nor will it permit any Subsidiary to, create, incur, assume or suffer to exist any Indebtedness, except:

(a) the Secured Obligations;

(b) Indebtedness existing on the date hereof and set forth in Schedule 6.01 and any extensions, renewals, refinancings and replacements of any such Indebtedness in accordance with clause (g) hereof;

(c) Indebtedness of any Borrower to any Subsidiary and of any Subsidiary to any Borrower or any other Subsidiary, provided that (i) Indebtedness of any Subsidiary that is not a Loan Party to any Borrower or any other Loan Party shall be subject to Section 6.04 and (ii) Indebtedness of any Loan Party to any Subsidiary that is not a Loan Party shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent;

(d) Indebtedness of any Borrower or any Subsidiary to any Affiliate of any Borrower and of any Affiliate of any Borrower to any Borrower, any other Loan Party or any Subsidiary, provided that (i) Indebtedness of any Affiliate to any Borrower or any other Loan Party shall be subject to Section 6.04, (ii) Indebtedness of any Loan Party to any Affiliate shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent, and (iii) such Indebtedness permitted by this clause (d) shall not exceed \$10,000,000 in the aggregate at any time outstanding;

(e) Guarantees by any Borrower of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of any Borrower or any other Subsidiary, provided that (i) the Indebtedness so Guaranteed is permitted by this Section 6.01, (ii) Guarantees by any Borrower or other Loan Party of Indebtedness of any Subsidiary that is not a Loan Party shall be subject to Section 6.04 and (iii) if the Indebtedness so Guaranteed is subordinated to the Secured Obligations, the Guarantees permitted under this clause (e) shall be subordinated to the Secured Obligations on the same terms;

(f) Indebtedness of any Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets (whether or not constituting purchase money Indebtedness), including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness in accordance with clause (g) below; provided that (i) such Indebtedness

is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (f) together with any Refinance Indebtedness in respect thereof permitted by clause (g) below, shall not exceed \$30,000,000 at any time outstanding;

(g) Indebtedness which represents extensions, renewals, refinancing or replacements (such Indebtedness being so extended, renewed, refinanced or replaced being referred to herein as the "Refinance Indebtedness") of any of the Indebtedness described in clauses (b) and (f) and (k) and (l) hereof (such Indebtedness being referred to herein as the "Original Indebtedness"); provided that (i) such Refinance Indebtedness does not increase the principal amount or interest rate of the Original Indebtedness (or, in the case of (l), increase the amount of the Original Indebtedness beyond \$1,100,000,000), (ii) any Liens securing such Refinance Indebtedness are not extended to any additional property of any Loan Party or any Subsidiary, (iii) no Loan Party or any Subsidiary that is not originally obligated with respect to repayment of such Original Indebtedness is required to become obligated with respect to such Refinance Indebtedness, (iv) such Refinance Indebtedness does not result in a shortening of the average weighted maturity of such Original Indebtedness, (v) the terms of such Refinance Indebtedness other than fees and interests are not less favorable to the obligor thereunder than the original terms of such Original Indebtedness and (vi) if such Original Indebtedness was subordinated in right of payment to the Secured Obligations, then the terms and conditions of such Refinance Indebtedness must include subordination terms and conditions that are at least as favorable to the Administrative Agent and the Lenders as those that were applicable to such Original Indebtedness;

(h) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;

(i) Indebtedness of any Loan Party or any Subsidiary in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the ordinary course of business;

(j) ~~reserved~~ Indebtedness with respect to any Permitted Receivables Financing in an aggregate principal amount not to exceed \$100,000,000 at any time;

(k) Indebtedness of any Person that becomes a Subsidiary after the date hereof; provided that (i) such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary and (ii) the aggregate principal amount of Indebtedness permitted by this clause (k) together with any Refinance Indebtedness in respect thereof permitted by clause (g) above, shall not exceed \$20,000,000 at any time outstanding;

(l) unsecured Indebtedness incurred under the MDC Notes Documents in an original principal amount not to exceed \$1,100,000,000;

(m) the incurrence by the Company or its Subsidiaries of Indebtedness under Swap Agreements to the extent permitted under Section 6.07; and

(n) other unsecured Indebtedness so long as the Total Leverage Ratio, calculated on a pro forma basis after giving effect to such additional Indebtedness, is less than the then applicable Total Leverage Ratio required pursuant to [Section 6.12\(a\)](#).

SECTION 6.02. Liens. No Loan Party will, nor will it permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including Accounts) or rights in respect of any thereof, except:

(a) Liens created pursuant to any Loan Document;

(b) Permitted Encumbrances;

(c) any Lien on any property or asset of any Borrower or any Subsidiary existing on the date hereof and set forth in [Schedule 6.02](#); provided that (i) such Lien shall not apply to any other property or asset of such Borrower or Subsidiary or any other Borrower or Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on fixed or capital assets acquired, constructed or improved by any Borrower or any Subsidiary; provided that (i) such Liens secure Indebtedness permitted by clause

(f) of [Section 6.01](#), (ii) such Liens and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement,

(iii) the Indebtedness secured thereby does not exceed 90% of the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such Liens shall not apply to any other property or assets of any Borrower or any Subsidiary;

(e) any Lien existing on any property or asset (other than Accounts and Inventory) prior to the acquisition thereof by any Borrower or any Subsidiary or existing on any property or asset (other than Accounts and Inventory) of any Person that becomes a Loan Party after the date hereof prior to the time such Person becomes a Loan Party; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Loan Party, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Loan Party and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Loan Party, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(f) Liens of a collecting bank arising in the ordinary course of business under Section 4-210 of the UCC in effect in the relevant jurisdiction covering only the items being collected upon;

(g) Liens arising out of Sale and Leaseback Transactions permitted by [Section 6.06](#);

(h) Liens granted by a Subsidiary that is not a Loan Party in favor of a Borrower or another Loan Party in respect of Indebtedness owed by such Subsidiary; ~~and~~ and

(i)

Liens on Accounts disposed of in Supply Chain Financing permitted hereunder.;

(j) Liens that are granted or arise (or deemed to have been granted or arise) in

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connection with any Permitted Receivables Financing; provided that no such Lien shall extend to any Collateral.

SECTION 6.03. Fundamental Changes.

(a) No Loan Party will, nor will it permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing, (i) any Person may merge into a Borrower in a transaction in which the surviving entity is a Borrower, (ii) any Person may merge into any Subsidiary of the Company in a transaction in which the surviving entity is a Subsidiary of the Company and, if any party to such merger is a Loan Party, such surviving entity is a Subsidiary or becomes a Subsidiary that is a Loan Party concurrently with such merger, and

(iii) any Subsidiary that is not a Loan Party may liquidate or dissolve if the Borrowers determine in good faith that such liquidation or dissolution is in the best interests of the Borrowers and is not materially disadvantageous to the Lenders; provided that any such merger involving a Person that is not a wholly owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.04.

(b) No Loan Party will, nor will it permit any Subsidiary to, engage in any business other than businesses of the type conducted by the Borrowers and their Subsidiaries on the date hereof and businesses reasonably related thereto.

(c) (i) PublicCo will not (A) engage in any business or activity other than the ownership of the outstanding Equity Interests of the Company and the other Loan Parties, the continuance of its existence as the holding company of the Company and its Subsidiaries, and the maintenance of its status as a ~~publically~~publicly listed company, and activities incidental thereto, (B) own or acquire any assets (other than Equity Interests of the Company and the other Loan Parties, the cash proceeds of any Restricted Payments permitted by Section 6.08, and other assets with the consent of the Lenders, not to be unreasonably withheld), or (C) incur any liabilities (other than liabilities under the Loan Documents, the MDC Notes Documents, guarantees with respect to Earn-outs and guarantees with respect to lease payment and similar real estate-related payments, and liabilities reasonably necessary in connection with its purpose as the holding company of the Company and its Subsidiaries and status as a ~~publically~~publicly listed company, and activities incidental or necessary thereto) and (ii) Stagwell Global will not

(i) engage in any material business or activity other than the ownership of the outstanding Equity Interests of its Subsidiaries, the continuance of its existence as the holding company of its Subsidiaries, and the maintenance of its existence, and activities incidental thereto, (ii) own or acquire any assets (other than Equity Interests of its Subsidiaries and the cash proceeds of any Restricted Payments permitted by Section 6.08), or (iii) incur any material liabilities (other than liabilities under the Loan Documents, the MDC Notes Documents, guarantees with respect to Earn-outs and guarantees with respect to lease payment and similar real estate-related payments, Indebtedness subordinated to the Secured Obligations, and other liabilities reasonably necessary

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in connection with its purpose as the holding company of the its Subsidiaries and activities incidental or necessary thereto).

(d) No Loan Party will, nor will it permit any Subsidiary to change its fiscal year or any fiscal quarter from the basis in effect on the Restatement Date.

(e) No Loan Party will change the accounting basis upon which its financial statements are prepared.

(f) No Loan Party will change the tax filing elections it has made under the Code.

(g) No Loan Party will, nor will it permit any Subsidiary to, consummate a Division as the Dividing Person, without the prior written consent of Administrative Agent. Without limiting the foregoing, if any Loan Party that is a limited liability company consummates a Division (with or without the prior consent of Administrative Agent as required above), each Division Successor shall be required to comply with the obligations set forth in Section 5.14 and the other further assurances obligations set forth in the Loan Documents and become a Loan Party under this Agreement and the other Loan Documents.

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. No Loan Party will, nor will it permit any Subsidiary to, form any Subsidiary after the Restatement Date in order to, or purchase, hold or acquire (including pursuant to any merger with any Person that was not a Loan Party and a Subsidiary prior to such merger) any Equity Interests, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make

or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit (whether through purchase of assets, merger or otherwise), except:

(a) Permitted Investments, subject to control agreements in favor of the Administrative Agent for the benefit of the Secured Parties or otherwise subject to a perfected security interest in favor of the Administrative Agent for the benefit of the Secured Parties;

(b) investments in existence on the date hereof and described in Schedule 6.04;

(c) investments by the Borrowers and the Subsidiaries in Equity Interests in their respective Subsidiaries or in joint ventures, provided that (i) any such Equity Interests held by a Loan Party shall be pledged pursuant to the Security Agreement (subject to the limitations applicable to Equity Interests of a foreign Subsidiary and CFC Holdco referred to in Section 5.14) and (ii) the aggregate amount of investments by Loan Parties in (1) Subsidiaries that are not Loan Parties, (2) joint ventures and (3) business and assets that are not located in the United States (together with outstanding intercompany loans permitted under Section 6.04(d) and outstanding Guarantees permitted under Section 6.04(e)) shall not exceed the greater of (A) (x) \$10,000,000 in any fiscal year and (y) \$20,000,000 in the aggregate at any time outstanding (in each case determined without regard to any write-downs or write-offs) and (B) so long as no Event of Default has occurred and is continuing or would result after giving effect to such

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investment, an amount not to exceed the Available Amount Basket (determined without regard to any write-downs or write-offs);

(d) loans or advances made by any Loan Party to any Subsidiary or any Affiliate of a Loan Party or any joint venture of a Loan Party and made by any Subsidiary or any Affiliate to a Loan Party (other than PublicCo) or any other Subsidiary, provided that (i) any such loans and advances made by a Loan Party shall be evidenced by a promissory note pledged pursuant to the Security Agreement, (ii) the amount of such loans and advances made by Loan Parties to (1) Subsidiaries that are not Loan Parties, (2) joint ventures or (3) to support business or assets that are not located in the United States (together with outstanding investments permitted under Section 6.04(c) and outstanding Guarantees permitted under Section 6.04(e)) shall not exceed the greater of (A) \$10,000,000 in any fiscal year (and in no event to exceed \$20,000,000 in the aggregate at any time outstanding, in each case determined without regard to any write-downs or write-offs) and (B) so long as no Event of Default has occurred and is continuing or would result after giving effect to such loan or advance, an amount not to exceed the Available Amount Basket (in each case determined without regard to any write-downs or write-offs) and (iii) the amount of such loans and advances made by Loan Parties to Affiliates (other than PublicCo) that are not Loan Parties (together with outstanding Guarantees permitted under Section 6.04(e)) shall not exceed the greater of (A) \$15,000,000 at any time outstanding (in each case determined without regard to any write-downs or write-offs) and (B) so long as no Event of Default has occurred and is continuing or would result after giving effect to such loan or advance, an amount not to exceed the Available Amount Basket (in each case determined without regard to any write-downs or write-offs); provided further that the amount of such loans and advances made by Loan Parties to Reputation Defender and its Subsidiaries (together with outstanding Guarantees permitted under Section 6.04(e)) shall not exceed \$4,000,000 at any time outstanding (in each case determined without regard to any write-downs or write-offs);

(e) Guarantees constituting Indebtedness permitted by Section 6.01, provided (i) that the aggregate principal amount of Indebtedness of (1) Subsidiaries that are not Loan Parties, (2) joint ventures or (3) to support business or assets that are not located in the United States, in each case, that is Guaranteed by any Loan Party (together with outstanding investments permitted under clause (ii) to the proviso to Section 6.04(c) and outstanding intercompany loans permitted under clause (ii) to the proviso to Section 6.04(d)) shall not exceed the greater of (A) (x) \$10,000,000 in any fiscal year and (y) \$20,000,000 in the aggregate at any time outstanding (in each case determined without regard to any write-downs or write-offs) and (B) so long as no Event of Default has occurred and is continuing or would result after giving effect to such Guarantees, an amount not to exceed the Available Amount Basket (in each case determined without regard to any write-downs or write-offs) and (ii) that the aggregate principal amount of Indebtedness of Affiliates (other than PublicCo) that are not Loan Parties that is Guaranteed by any Loan Party (together with outstanding intercompany loans permitted under clause (iii) to the proviso to Section 6.04(d)) shall not exceed the greater of (A) \$15,000,000 at any time outstanding (in each case determined without regard to any write-downs or write-offs) and (B) so long as no Event of Default has occurred

and is continuing or would result after giving effect to such Guarantees, an amount not to exceed the Available Amount Basket (in each case determined without regard to any write-downs or write-offs);

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(f) loans or advances made by a Loan Party to its employees on an arms-length basis in the ordinary course of business consistent with past practices for travel and entertainment expenses, relocation costs and similar purposes up to a maximum of \$1,500,000 in the aggregate at any one time outstanding;

(g) notes payable, or stock or other securities issued by Account Debtors to a Loan Party pursuant to negotiated agreements with respect to settlement of such Account Debtor's Accounts in the ordinary course of business, consistent with past practices;

(h) investments in the form of Swap Agreements permitted by [Section 6.07](#);

(i) investments of any Person existing at the time such Person becomes a Subsidiary of a Borrower or consolidates or merges with a Borrower or any of its Subsidiaries (including in connection with a Permitted Acquisition), so long as such investments were not made in contemplation of such Person becoming a Subsidiary or of such merger;

(j) investments received in connection with the disposition of assets permitted by [Section 6.05](#);

(k) investments constituting deposits described in clauses (c) and (d) of the definition of the term "Permitted Encumbrances";

(l) Permitted Acquisitions;

(m) investments in an aggregate amount of not greater than (x) \$75,000,000 and (y) \$50,000,000 in any fiscal year; ~~and~~

(n) other investments in an amount not to exceed the Available Amount Basket (in each case determined without regard to any write-downs or write-offs); ~~and~~

[\(o\) investments made in connection with any Permitted Receivables Financing, including investments made to fund the payment of fees and expenses incurred in connection with any Permitted Receivables Financing and the purchase of assets pursuant to a repurchase obligation in connection with any Permitted Receivables Financing.](#)

The foregoing to the contrary notwithstanding, in no event shall any Loan Party be permitted to transfer, directly or indirectly, to any Subsidiary of a Loan Party that is not also a Loan Party or to any other Person that is not a Loan Party to the extent that such transaction would involve the transfer of (x) intellectual property that is material to the operation of the business of the Company and its Subsidiaries, or (y) the Equity Interests of any Subsidiary of the Company that has an interest in intellectual property that is material to the operation of the business of the Company and its Subsidiaries.

SECTION 6.05. [Asset Sales](#). No Loan Party will, nor will it permit any Subsidiary to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will any Borrower permit any Subsidiary to issue any additional Equity Interest in such

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Subsidiary (other than to another Borrower or another Subsidiary in compliance with [Section 6.04](#)), except:

- (a) sales, transfers and dispositions of (i) Inventory in the ordinary course of business, (ii) used, obsolete, worn out or surplus Equipment or property in the ordinary course of business, and (iii) leases or subleases of real property not useful in the conduct of the business of a Borrower or any of their Subsidiaries;
- (b) sales, transfers and dispositions of assets to any Borrower or any Subsidiary, provided that any such sales, transfers or dispositions involving a Subsidiary that is not a Loan Party shall be made in compliance with [Section 6.04](#) and [Section 6.09](#);
- (c) sales, transfers and dispositions of Accounts (including, without limitation, sales, transfers and dispositions of Accounts on a non-recourse basis not in excess of \$15,000,000, in the aggregate in any fiscal month, in connection with Supply Chain Financing but otherwise excluding sales or dispositions in a factoring arrangement) in connection with the compromise, settlement or collection thereof;
- (d) sales, transfers and dispositions of Permitted Investments and other investments permitted by clauses (i) and (k) of [Section 6.04](#);
- (e) Sale and Leaseback Transactions permitted by [Section 6.06](#);
- (f) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any Loan Party or any Subsidiary;
- (g) sales of assets identified to the Administrative Agent prior to the Restatement Date and described in [Schedule 6.05](#), including, so long as no Event of Default has occurred and is continuing or would result after giving effect to such sale;
- (h) sales of assets with a fair market value not to exceed the greater of (i) 10% of EBITDA for the trailing four quarter period immediately preceding such transaction and (ii) \$30,000,000 in any trailing four quarter period pursuant to this clause (h);
- (i) sales of non-core assets, so long as, with respect to any such sale of greater than \$10,000,000, at least 75% of the proceeds of such sale are received as cash; and
- (j) sales of investments in joint ventures otherwise permitted under the Credit Agreement;
- (k) transactions permitted by [Section 6.02](#); ~~and~~
- (l) other sales, transfers and other dispositions of assets (other than Equity Interests in a Subsidiary unless all Equity Interests in such Subsidiary are sold) that are not permitted by any other clause of this Section, so long as the Total Leverage Ratio for the four quarter period immediately preceding such transaction for which financial statements have been delivered

pursuant to [Section 5.01](#) (determined on a pro forma basis after giving effect to such transaction) is less than 3.00 to 1.00; [and](#)

(m) dispositions of accounts receivable, payables or securitization assets or any related assets in connection with any Permitted Receivables Financing;

provided that all sales, transfers, leases and other dispositions permitted under this Section 6.05) other than those permitted by paragraphs (b), (d), and (f) shall be made for fair value and for at least 75% cash consideration.

The foregoing notwithstanding, in no event shall any Loan Party be permitted to transfer, directly or indirectly, to any Subsidiary of a Loan Party that is not also a Loan Party or to any other Person that is not a Loan Party to the extent that such transaction would involve the transfer of (x) intellectual property that is material to the operation of the business of the Company and its Subsidiaries or (y) the Equity Interests of any Subsidiary of the Company that has an interest in intellectual property that is material to the operation of the business of the Company and its subsidiaries.

To the extent that any Collateral is Disposed of as expressly permitted by this Section 6.05, such Collateral shall be Disposed of free and clear of the Liens created by the Loan Documents, which Liens shall be automatically released upon consummation of such Disposition; it being understood and agreed that the Administrative Agent shall be authorized to take, and shall take any actions requested by the Borrower in order to effect the foregoing; provided that, in the case of a Disposition by a Loan Party to another Loan Party, the transferee Loan Party shall, substantially concurrently with such release, cause the relevant assets Disposed to it to become part of its Collateral.

SECTION 6.06. Sale and Leaseback Transactions. No Loan Party will, nor will it permit any Subsidiary to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred (a "Sale and Leaseback Transaction"), except for any such sale of any fixed or capital assets by any Borrower or any Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within 90 days after such Borrower or such Subsidiary acquires or completes the construction of such fixed or capital asset.

SECTION 6.07. Swap Agreements. No Loan Party will, nor will it permit any Subsidiary to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which any Borrower or any Subsidiary has actual exposure (other than those in respect of Equity Interests of any Borrower or any Subsidiary), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from floating to fixed rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of any Borrower or any Subsidiary.

SECTION 6.08. Restricted Payments; Certain Payments of Indebtedness.

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(a) No Loan Party will, nor will it permit any Subsidiary to, declare or make, or agree to declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except:

(i) the Borrowers may declare and pay dividends with respect to its common stock payable solely in additional shares of its common stock, and, with respect to its preferred stock, payable solely in additional shares of such preferred stock or in shares of its common stock;

(ii) any Loan Party (other than the Company) or any Subsidiary of a Loan Party may declare and pay dividends ratably with respect to its Equity Interests;

(iii) the Borrowers may make Restricted Payments in the form of non-cash distributions of non-voting Equity Interests pursuant to and in accordance with stock option plans, incentive plans, or other benefit plans for management or employees of the Borrowers and their

Subsidiaries:

- (iv) the Borrowers may pay Tax Distributions as provided in Section 6.08(c);
- (v) so long as no Event of Default has occurred and is continuing or would result after giving effect to such Restricted Payment, the Company may declare and pay dividends in an amount not to exceed \$25,000,000 in the aggregate in any fiscal year;
- (vi) so long as no Event of Default has occurred and is continuing or would result after giving effect to such Restricted Payment, the Company may declare and pay dividends in an amount not to exceed the Available Amount Basket;
- (vii) so long as (x) no Event of Default has occurred and is continuing or would result after giving effect to such Restricted Payment, (y) the Total Leverage Ratio for the four quarter period immediately preceding such transaction for which financial statements have been delivered pursuant to Section 5.01 is not greater than 0.25 to 1.00 less than the then applicable Total Leverage Ratio required pursuant to Section 6.12(a) on a pro forma basis after giving effect to such transaction, and (z) within five (5) Business Days prior to the payment of such payment the Administrative Agent shall have received a certificate (with appropriate calculations attached thereto) of the chief financial officer or president of the Borrower Representative certifying that the conditions in clauses (x) and (y) will be satisfied before and after giving effect to such payment, the Borrowers may pay Earn-outs in connection with any Permitted Acquisition;
- (viii) so long as no Event of Default has occurred and is continuing or would result after giving effect to such Restricted Payment, the Company may (or may declare and pay dividends to PublicCo for the purpose of) repurchase from employees of stock of the Company or PublicCo or a Subsidiary up to an aggregate amount, for all such repurchases, dividends, payments and distributions permitted pursuant to this clause (viii) not to exceed \$15,000,000 in any fiscal year;
- (ix) so long as (x) no Event of Default has occurred and is continuing or would result after giving effect to such Restricted Payment, (y) the Total Leverage Ratio for the

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four quarter period immediately preceding such transaction for which financial statements have been delivered pursuant to Section 5.01 is not greater than 3.00 to 1.00 on a pro forma basis, and (z) within five (5) Business Days prior to payment of such Restricted Payment the Administrative Agent shall have received a certificate (with appropriate calculations attached thereto) of the chief financial officer or president of the Borrower Representative certifying that the conditions in clauses (x) and (y) will be satisfied before and after giving effect to such Restricted Payment, the Company may make Restricted Payments in an unlimited amount; and

(x) so long as no Event of Default has occurred and is continuing or would result after giving effect to such Restricted Payment, the Company may (or may declare and pay dividends to PublicCo for the purpose of) repurchase or redeem stock of PublicCo up to an amount for all such repurchases or redemptions permitted pursuant to this clause (x) not to exceed \$100,000,000 in any fiscal year;

(b) No Loan Party will, nor will it permit any Subsidiary to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Indebtedness, or any payment or other distribution (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 Indebtedness or any Earn-out payment, except:

- (i) payment of Indebtedness created under the Loan Documents;
- (ii) payment of all interest and principal and other payments as and when due in respect of any Indebtedness permitted under Section 6.01, including, for the avoidance of doubt, (i) the MDC Notes and under the MDC Notes Documents and (ii) any payments

required under a Permitted Receivables Financing;

(iii) repurchases of MDC Notes under the MDC Notes Documents in an unlimited amount so long as (x) no Event of Default has occurred and is continuing or would result after giving effect to such repurchase, (y) the Total Leverage Ratio for the four quarter period immediately preceding such repurchase for which financial statements have been delivered pursuant to Section 5.01 is not greater than 3.00 to 1.00 on a pro forma basis, and (z) within five (5) Business Days prior to such repurchase the Administrative Agent shall have received a certificate (with appropriate calculations attached thereto) of the chief financial officer or president of the Borrower Representative certifying that the conditions in clauses (x) and (y) will be satisfied before and after giving effect to such repurchase;

(iv) refinancings of Indebtedness to the extent permitted by Section 6.01;

(v) payment of secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness to the extent such sale or transfer is permitted by the terms of Section 6.05; and

(vi) payment of Earn-out payments in connection with any Acquisition permitted hereunder, so long as (x) no Event of Default has occurred and is continuing or

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would result after giving effect to such payment, (y) the Total Leverage Ratio for the four quarter period immediately preceding such transaction for which financial statements have been delivered pursuant to Section 5.01 is not greater than 0.25 less than the then applicable Total Leverage Ratio required pursuant to Section 6.12(a) on a pro forma basis after giving effect to such payment, and (z) within five (5) Business Days prior to the payment of such payment the Administrative Agent shall have received a certificate (with appropriate calculations attached thereto) of the chief financial officer or president of the Borrower Representative certifying that the conditions in clauses (x) and (y) will be satisfied before and after giving effect to such payment.

(c) **Tax Distributions.** Notwithstanding anything to the contrary in this Agreement, on each Tax Distribution Date, the Borrowers may make distributions (each a "TaxDistribution"):

(i) to PublicCo in an amount equal to all of PublicCo's federal, state, local and non-U.S. tax liabilities (including estimated tax liabilities), calculated using the Assumed Tax Rate, attributable to any preferred units of the Company held by PublicCo during the fiscal year or other taxable period to which the tax-related distributions relates;

(ii) then, to its members on a pro rata basis in accordance with the number of Company common units owned by each member, in an amount sufficient to cause PublicCo to receive a distribution equal to all of PublicCo's remaining Assumed Tax Liability (including estimated tax liabilities) during the fiscal year or other taxable period to which the tax-related distribution relates;

(iii) amounts due under the Tax Receivable Agreement, to the extent the amounts distributed to PublicCo in clauses (i) and (ii) in excess of PublicCo's actual federal, state, local and non-U.S. tax liabilities calculated at the Assumed Tax Rate are insufficient to pay the amounts due under the Tax Receivable Agreement.

SECTION 6.09. Transactions with Affiliates. No Loan Party will, nor will it permit any Subsidiary to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions that (i) are in the ordinary course of business and (ii) are at prices and on terms and conditions not less favorable to such Loan Party or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Loan Parties not involving any other Affiliate, (c) any investment permitted by Sections 6.04(c) or 6.04(d), (d) any Indebtedness permitted under Section 6.01(c), (e) any Restricted Payment permitted by Section 6.08, (including, for the avoidance of doubt, any

payment to PublicCo in connection with PublicCo Expenses), (f) loans or advances to employees permitted under [Section 6.04\(f\)](#), (g) the payment of reasonable fees to directors of any Borrower or any Subsidiary who are not employees of such Borrower or any Subsidiary, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of the Borrowers or their Subsidiaries in the ordinary course of business, (h) any issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans approved by a Borrower's board of

directors, (i) any contribution to the capital of the Company by PublicCo or any purchase of Equity Interests of the Company by PublicCo or Stagwell Media LP, ~~and~~ (j) amounts due under the Tax Receivable Agreement as permitted by 6.08(c)(iii) [and \(k\) transactions pursuant to a Permitted Receivables Financing](#).

SECTION 6.10. Restrictive Agreements. No Loan Party will, nor will it permit any Subsidiary to, directly or indirectly enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of such Loan Party or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any Equity Interests or to make or repay loans or advances to any Borrower or any other Subsidiary or to Guarantee Indebtedness of any Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by any Requirement of Law or by any Loan Document or the MDC Notes Documents, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on [Schedule 6.10](#) (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iv) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (v) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

SECTION 6.11. Amendment of Material Documents. No Loan Party will, nor will it permit any Subsidiary to, amend, modify or waive any of its rights under its charter, articles or certificate of organization or incorporation and bylaws or operating, management or partnership agreement, or other organizational or governing documents, to the extent any such amendment, modification or waiver would be adverse to the Lenders.

SECTION 6.12. Financial Covenants.

(a) **Total Leverage Ratio.** The Company will not permit the Total Leverage Ratio, on the last day of any fiscal quarter to be greater than the ratio set forth opposite such period:

Period	Ratio
The Restatement Date through and including December 31, 2021	4.75 to 1.00
March 31, 2022 through and including December 31, 2022	4.50 to 1.00
March 31, 2023 and thereafter	4.25 to 1.00

(b) **[Reserved]**.

(c) **Equity Cure.** For purposes of determining compliance with clause (a) of this [Section 6.12](#), any cash equity contribution (which equity shall be common equity or other equity on terms reasonably acceptable to the Administrative Agent) made to the Company on or prior to the day that is ten (10) Business Days after the day on which financial statements are required to

be delivered for a fiscal quarter or fiscal year pursuant to [Section 5.01](#) hereof and designated on the date of such contribution as a "Specified Equity Contribution" (each such designation, an "Equity Cure") will, at the request of the Company, be included in the calculation of EBITDA for such fiscal quarter or the last fiscal quarter of such fiscal year, as applicable, for the purposes of determining compliance with clause (a) of this Section at the end of such fiscal quarter or applicable subsequent periods including such fiscal quarter (any such equity contribution so included in the calculation of EBITDA, a "Specified Equity Contribution"), provided that (i) no more than one Specified Equity Contribution may be made in any period of four consecutive fiscal quarters, (ii) no more than three Specified Equity Contributions may be made during the term of this Agreement, (iii) the amount of any Specified Equity Contribution shall be no greater than 100% of the amount required to cause the Company to be in compliance with clause (a) of this [Section 6.12](#), (iv) all Specified Equity Contributions shall be disregarded for all other purposes herein other than determining compliance with the covenants in clause (a) of this [Section 6.12](#) and shall not result in any pro forma reduction of Indebtedness or increase in cash with respect to the fiscal quarter with respect to which such Specified Equity Contribution was made, and (v) no Lender or Issuing Bank shall be required to make any extension of credit hereunder if an Event of Default under the covenants set forth in [Section 6.12\(a\)](#) has occurred and is continuing during the ten (10) Business Day period during which the Company may exercise an Equity Cure unless and until the Specified Equity Contribution is actually received.

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

- (a) the Borrowers shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;
- (b) the Borrowers shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three (3) Business Days;
- (c) any representation or warranty made or deemed made by or on behalf of any Loan Party or any Subsidiary in, or in connection with, this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been materially incorrect when made or deemed made;
- (d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in [Section 5.02\(a\)](#), [5.03](#) (with respect to a Loan Party's existence), [5.08](#) or [5.15](#), or in [Article VI](#);

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d)), and such failure shall continue unremedied for a period of (i) 5 days after the earlier of any Loan Party's knowledge of such breach or notice thereof from the Administrative Agent (which notice will be given at the request of any Lender) if such breach relates to terms or provisions of Section 5.01, 5.02 (other than Section 5.02(a)), 5.03 through 5.07, 5.10, 5.11 or 5.13 of this Agreement or (ii) 15 days after the earlier of any Loan Party's knowledge of such breach or notice thereof from the Administrative Agent (which notice will be given at the request of any Lender) if such breach relates to terms or provisions of any other Section of this Agreement;

(f) any Loan Party or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness when and as the same shall become due and payable (including, for the avoidance of doubt, the MDC Notes) that would constitute a default thereunder;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness to the extent such sale or transfer is permitted by the terms of Section 6.05;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of a Loan Party or Subsidiary or its debts, or of a substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) any Loan Party or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for such Loan Party or Subsidiary of any Loan Party or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

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(j) any Loan Party or any Subsidiary shall become unable, admit in writing its inability, or publicly declare its intention not to, or fail generally, to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$5,000,000 shall be rendered against any Loan Party, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Loan Party or any Subsidiary to enforce any such judgment or any Loan Party or any Subsidiary shall fail within thirty (30) days to discharge one or more non-monetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgments or orders, in any such case, are not stayed on appeal and being appropriately contested in good faith by proper proceedings diligently pursued;

(l) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrowers and their Subsidiaries in an aggregate amount exceeding (i) \$1,000,000 in any year or (ii) \$3,000,000 for all periods;

(m) a Change in Control shall occur;

(n) the occurrence of any "default", as defined in any Loan Document (other than this Agreement), or the breach of any of the terms or provisions of any Loan Document (other than this Agreement), which default or breach continues beyond any period of grace therein provided;

(o) the Loan Guaranty or any Obligation Guaranty shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of the Loan Guaranty or any Obligation Guaranty, or any Loan Guarantor shall fail to comply with any of the terms or provisions of the Loan Guaranty or any Obligation Guaranty to which it is a party, or any Loan Guarantor shall deny that it has any further liability under the Loan Guaranty or any Obligation Guaranty to which it is a party, or shall give notice to such effect, including, but not limited to notice of termination delivered pursuant to Section 10.08 or any notice of termination delivered pursuant to the terms of any Obligation Guaranty;

(p) except as permitted by the terms of any Collateral Document, (i) any Collateral Document shall for any reason fail to create a valid security interest in any Collateral purported to be covered thereby, or (ii) any Lien securing any Secured Obligation shall cease to be a perfected, first priority Lien;

(q) any Collateral Document shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Collateral Document; or

(r) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or

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inaction that evidences its assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms; then, and in every such event (other than an event with respect to the Borrowers described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower Representative, take either or both of the following actions, at the same or different times: (i) terminate the Commitments whereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, but ratably as among the Classes of Loans and the Loans of each Class at the time outstanding, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees (including, for the avoidance of doubt, any break funding payments) and other obligations of the Borrowers accrued hereunder shall become due and payable immediately, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers.; and in the case of any event with respect to the Borrowers described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding together with accrued interest thereon and all fees (including, for the avoidance of doubt, any break funding payments) and other obligations of the Borrowers accrued hereunder and under any other Loan Document, shall automatically become due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, increase the rate of interest applicable to the Loans and other Obligations as set forth in this Agreement and exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

ARTICLE VIII

The Administrative Agent

SECTION 8.01. Appointment. Each of the Lenders, on behalf of itself and any of its Affiliates that are Secured Parties and the Issuing Bank hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. In addition, to the extent required under the laws of any jurisdiction other than the U.S., each of the Lenders and the Issuing Bank hereby grants to the Administrative Agent any required powers of attorney to execute any Collateral Document governed by the laws of such jurisdiction on such Lender's or Issuing Bank's behalf. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders (including the Swingline Lender and the Issuing Bank), and the Loan Parties shall not have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" as used herein or in any other Loan Documents (or any 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

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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 independent contracting parties.

SECTION 8.02. Rights as a Lender. The bank 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 such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Loan Party or any Subsidiary or any Affiliate thereof as if it were not the Administrative Agent hereunder.

SECTION 8.03. Duties and Obligations. The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the 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 necessary under the circumstances as provided in [Section 9.02](#)), and, (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any Subsidiary that is communicated to or obtained by the bank serving as 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 with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in [Section 9.02](#)) or in the absence of its own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower Representative or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral, or (vi) the satisfaction of any condition set forth in [Article IV](#) or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 8.04. Reliance. 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 believed by it to be genuine and to have been signed or sent 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 be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), 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.

SECTION 8.05. Actions through Sub-Agents. The Administrative Agent may perform any and all of its duties and exercise its rights and powers 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 through their respective Related Parties. The exculpatory provisions of the preceding paragraphs 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 the Administrative Agent.

SECTION 8.06. Resignation. Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Bank and the Borrower Representative. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrowers, to appoint a successor. If no 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, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by its successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor, unless otherwise agreed by the Borrowers and such successor.

Notwithstanding the foregoing, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Banks and the Borrower Representative, whereupon, on the date of effectiveness of such resignation stated in such notice, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, provided that, solely for purposes of maintaining any security interest granted to the Administrative Agent under any Collateral Document for the benefit of the Secured Parties, the retiring Administrative Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Secured Parties and, in the case of any Collateral in the possession of the Administrative Agent, shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed and accepts such appointment in accordance with this paragraph (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Collateral Document, including any action required to maintain the perfection of any such security interest), and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, provided that (i) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (ii) all notices and other

communications required or contemplated to be given or made to the Administrative Agent shall also directly be given or made to each Lender and each Issuing Bank. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article,

Section 2.17(d) and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (a) above.

SECTION 8.07. Acknowledgements of Lenders and Issuing Banks.

(a) Each Lender and each Issuing Bank represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility, (ii) it is engaged in making, acquiring or holding commercial loans and in providing other facilities set forth herein as may be applicable to such Lender or Issuing Bank, in each case in the ordinary course of business, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument (and each Lender and each Issuing Bank agrees not to assert a claim in contravention of the foregoing), (iii) it has, independently and without reliance upon the Administrative Agent, any Joint Lead Arranger, any Co-Documentation Agent or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder and (iv) it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender or such Issuing Bank, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities. Each Lender and each Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Joint Lead Arranger, any Co-Documentation Agent or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

(b) Each Lender, by delivering its signature page to this Agreement on the Restatement Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Restatement Date.

(c) (i) Each Lender hereby agrees that (x) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "Payment") were erroneously transmitted to such Lender (whether or not known

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to such Lender), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender under this SECTION 8.07(c) shall be conclusive, absent manifest error.

(ii) Each Lender hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a "Payment Notice") or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(iii) The Borrowers and each other Loan Party hereby agree that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrowers or any other Loan Party.

(iv) Each party's obligations under this SECTION 8.07(c) shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

SECTION 8.08. Other Agency Titles. The Co-Documentation Agents shall not have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such

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Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to the relevant Lenders in their respective capacities Co-Documentation Agent, as applicable, as it makes with respect to the Agents in the preceding paragraph.

SECTION 8.09. Not Partners or Co-Venturers; Administrative Agent as Representative of the Secured Parties.

(a) The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

(b) In its capacity, the Administrative Agent is a "representative" of the Secured Parties within the meaning of the term "secured party" as defined in the UCC. Each Lender authorizes the Administrative Agent to enter into each of the Collateral Documents to which it is a party and to take all action contemplated by such documents. Each Lender agrees that no Secured Party (other than the Administrative Agent) shall have the right individually to seek to realize upon the security granted by any Collateral Document, it being understood and agreed that such rights and remedies may be exercised solely by the Administrative Agent for the benefit of the Secured Parties upon the terms of the Collateral Documents. In the event that any Collateral is hereafter pledged by any Person as collateral security for the Secured Obligations, the Administrative Agent is hereby authorized, and hereby granted a power of attorney, to execute and deliver on behalf of the Secured Parties any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Administrative Agent on behalf of the Secured Parties.

SECTION 8.10. Credit Bidding. The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Loan Party is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Administrative Agent at the direction of the Required Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid (i) the

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Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles (ii) each of the Secured Parties' ratable interests in the Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Required Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 9.02 of this Agreement), (iv) the Administrative Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Obligations which were credit bid, interests, whether as equity, partnership interests, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Secured Parties pro rata with their original interest in such Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

SECTION 8.11. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of any Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection

(a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any 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).

(c) The Administrative Agent hereby informs the Lenders that each such Person is not undertaking to provide investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement, and any other Loan Document, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such

Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

SECTION 8.12. Flood Laws. Chase has adopted internal policies and procedures that address requirements placed on federally regulated lenders under the National Flood Insurance Reform Act of 1994 and related legislation (the "Flood Laws"). Chase, as administrative agent or collateral agent on a syndicated facility, will post on the applicable electronic platform (or otherwise distribute to each Lender in the syndicate) documents that it receives in connection with the Flood Laws. However, Chase reminds each Lender and Participant in the facility that, pursuant to the Flood Laws, each federally regulated Lender (whether acting as a Lender or Participant in the facility) is responsible for assuring its own compliance with the flood insurance requirements.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone or Electronic Systems (and subject in each case to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

- (i) if to any Loan Party, to it in care of the Borrower Representative at:

Stagwell Global
c/o The Stagwell Group LLC 1808 Eye Street, Floor 6
Washington, D.C. 20006 Attention: Ryan Greene

- (ii) if to the Administrative Agent, or the Swingline Lender, ~~or Chase in its capacity as an Issuing Bank,~~ to JPMorgan Chase Bank, N.A. at:

JPMorgan Chase Bank, N.A. ~~Middle Market Servicing~~
~~10 South 131 S~~ Dearborn ~~St.~~, Floor ~~L204~~ Suite ~~IL1-0480~~
Chicago, IL ~~60603-2300~~ 60603-5506

Attention: ~~Michael Ausberry~~ Loan and Agency Servicing Email: jpm.agency.cri@jpmorgan.com
Fax No: ~~(844) 490-5663~~

Agency Withholding Tax Inquiries:
Email: agency.tax.reporting@jpmorgan.com

Agency Compliance/Financials/Intralinks:
Email: covenant.compliance@jpmchase.com

With a copy to:

JPMorgan Chase Bank, N.A. 1650 Market St. Floor 30
Philadelphia, PA 19103 Attention: Daniel K. Reagle Fax No: (215) 933-3364

- (iii) if to Chase in its capacity as an Issuing Bank, at: JPMorgan Chase Bank, N.A.
~~JPMorgan Loan Services~~

~~10 South~~ [131 S Dearborn Street, Floor 04 Chicago, IL 60603-5506](#)
Attention: ~~Chicago~~ LC Agency Activity Team Fax No. ~~(214) 307-6874~~

~~Chicago.LC.Agency.Activity.Team@JPMChase.com~~ [Tel: 800-364-1969](mailto:Chicago.LC.Agency.Activity.Team@JPMChase.com)
Fax: 856-294-5267
Email: chicago.lc.agency.activity.team@jpmchase.com

With a copy to:

JPMorgan Chase Bank, N.A. ~~Middle Market Servicing~~
~~10 South~~ [131 S Dearborn St, Floor L204 Suite IL1-0480](#)
Chicago, IL, ~~60603-2300~~ [60603-5506](#)
[Attention: Loan and Agency Servicing](#) Email: jpm.agency.cri@jpmorgan.com

- (iv) [if to Chase in its capacity as Collateral Agent, at: JPMorgan Chase Bank, N.A.](#)

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[131 S Dearborn Street, Floor 04 Chicago, IL 60603-5506](#)
Attention: ~~Michael Ausberry~~ [LC Agency Team](#) Tel: [1-312-732-4135](tel:1-312-732-4135)
Email: brianda.floresortiz@chase.com

Fax No: ~~(844) 490-5663~~

- (v) ~~(iv)~~ if to any other Lender or Issuing Bank, to it at its address or fax number set forth in its Administrative Questionnaire.

All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail shall be deemed to have been given when received, (ii) sent by fax shall be deemed to have been given when sent, provided that if not given during normal business hours for the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day of the recipient, or (iii) delivered through Electronic Systems or Approved Electronic Platforms, as applicable, to the extent provided in paragraph (b) below shall be effective as provided in such paragraph.

(b) Notices and other communications to the Borrower Representative, any Loan Party, the Lenders and the Issuing Bank hereunder may be delivered or furnished by using Electronic Systems or Approved Electronic Platforms, as applicable, or pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II or to compliance and no Default certificates delivered pursuant to [Section 5.01\(d\)](#) unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent and the Borrower Representative (on behalf of the Loan Parties) may, in its discretion, agree to accept notices and other communications to it hereunder by using Electronic Systems or Approved Electronic Platforms, as applicable, pursuant to procedures approved by it; provided that

approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise proscribes, all such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if not given during the normal business hours of the recipient, such notice or a communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, e-mail or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day of the recipient.

(c) Any party hereto may change its address, facsimile number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

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(d) Posting of Communications.

(i) Each Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders and the Issuing Banks by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic system chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

(ii) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Restatement Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders, each of the Issuing Banks and each Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders, each of the Issuing Banks and each Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(iii) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY JOINT LEAD ARRANGER OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "APPLICABLE PARTIES") HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER, ANY ISSUING BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

"Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party

pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Bank by means of electronic communications pursuant to this Section, including through an Approved Electronic Platform.

(iv) Each Lender and each Issuing Bank agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender and Issuing Bank agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's or Issuing Bank's (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(v) Each of the Lenders, each of the Issuing Banks and each Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(vi) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or any Issuing Bank to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 9.02. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Except as provided in the first sentence of Section 2.09(f) (with respect to any commitment increase) and subject to Section 2.14(c), (d) and (e) and Section 9.02(e) below, neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except (i) in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders (with respect to any waiver, amendment, or modification of Section 6.01(e) or (f) or Section 6.04(c)), such

agreement or objection to the proposed waiver, amendment or modification not to be unreasonably delayed) or (ii) in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, with the consent of the Required Lenders; provided that no such agreement shall (A) increase the Commitment of any Lender without the written consent of such Lender (including any such Lender that is a Defaulting Lender), (B) reduce or forgive the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce or forgive any interest or fees payable hereunder, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) directly affected thereby (except that any amendment or modification of the financial covenants in this Agreement (or defined terms used in the financial covenants in this Agreement) shall not constitute a reduction in the rate of interest or fees for purposes of this clause (B)), (C) postpone any scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any date for the payment of any interest, fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) directly affected thereby, (D) change Section 2.18(b) or (d) in a manner that would alter the manner in which payments are shared, without the written consent of each Lender (other than any Defaulting Lender), (E) [Reserved], (F) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (other than any Defaulting Lender) directly affected thereby, (G) change Section 2.20, without the consent of each Lender (other than any Defaulting Lender), (H) release any Loan Guarantor from its obligation under its Loan Guaranty or Obligation Guaranty (except as otherwise permitted herein or in the other Loan Documents), without the written consent of each Lender (other than any Defaulting Lender), (I) except as provided in clause (c) of this Section or in any Collateral Document, release all or substantially all of the Collateral without the written consent of each Lender (other than any Defaulting Lender) or (J) change the definition of "Agreed Currency" or any other provision of Section 2.01 with respect to any Agreed Currency; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Swingline Lender or the Issuing Bank hereunder without the prior written consent of the Administrative Agent, the Swingline Lender or the Issuing Bank, as the case may be (it being understood that any amendment to Section 2.20 shall require the consent of the Administrative Agent, the Swingline Lender and the Issuing Bank); provided further that no such agreement shall amend or modify the provisions of Section 2.07 or any letter of credit application and any bilateral agreement between a Borrower and the Issuing Bank regarding the Issuing Bank's Issuing Bank Sublimit or the respective rights and obligations between such Borrower and the Issuing Bank in connection with the issuance of Letters of Credit without the prior written consent of the Administrative Agent and the Issuing Bank, respectively. The Administrative Agent may also amend the Commitment Schedule to reflect assignments entered into pursuant to Section 9.04. Any amendment, waiver or other modification of this Agreement or any other Loan Document that by its terms affects the rights or duties under this Agreement of the Lenders of one or more Classes (but not the Lenders of any other Class), may be effected by an agreement or agreements in writing entered into by the Borrowers and the requisite number or percentage in interest of each affected Class of Lenders

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that would be required to consent thereto under this Section if such Class of Lenders were the only Class of Lenders hereunder at the time.

(c) The Lenders and the Issuing Bank hereby irrevocably authorize the Administrative Agent, at its option and in its sole discretion, to release any Liens granted to the Administrative Agent by the Loan Parties on any Collateral (i) upon the termination of all of the Commitments, payment and satisfaction in full in cash of all Secured Obligations (other than Unliquidated Obligations), and the cash collateralization of all Unliquidated Obligations in a manner satisfactory to each affected Lender, (ii) constituting property being sold or disposed of if the Loan Party disposing of such property certifies to the Administrative Agent that the sale or disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry), and to the extent that the property being sold or disposed of constitutes 100% of the Equity Interests of a Subsidiary, the Administrative Agent is authorized to release any Loan Guaranty or Obligation Guaranty provided by such Subsidiary, (iii) constituting property leased to a Loan Party under a lease which has expired or been terminated in a transaction permitted under this Agreement, or (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to Article VII. Except as provided in the preceding sentence, the Administrative Agent will not release any Liens on Collateral without the prior written authorization of the Required Lenders or, if required by Section 9.02(b)(ii)(l), each Lender (other than any Defaulting

Lender). Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral. Any execution and delivery by the Administrative Agent of documents in connection with any such release shall be without recourse to or warranty by the Administrative Agent.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of “each Lender” or “each Lender directly affected thereby,” the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but has not been obtained being referred to herein as a “Non-Consenting Lender”), then the Borrowers may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrowers, the Administrative Agent and the Issuing Bank and is not an affiliate of Holdings shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) the Borrowers shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrowers hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender. Each party hereto agrees that an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower Representative, the

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Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and (b) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

(e) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrower Representative only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

SECTION 9.03. Expenses; Indemnity; Damage Waiver.

(a) The Loan Parties, jointly and severally, shall pay all (i) 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, in connection with the syndication and distribution (including, without limitation, via the internet or through an Electronic System or Approved Electronic Platform) of the credit facilities provided for herein, the preparation and administration of the Loan Documents and any amendments, modifications or waivers of the provisions of the Loan Documents (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) out-of-pocket expenses incurred by the Administrative Agent, the Issuing Bank or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent, the Issuing Bank or any Lender, in connection with the enforcement, collection or protection of its rights in connection with the Loan Documents, including its rights under this Section, or 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. Expenses being reimbursed by the Loan Parties under this Section include, without limiting the generality of the foregoing, fees, costs and expenses incurred in connection with:

(A) appraisals and insurance reviews;

(B) background checks regarding senior management and/or key investors, as deemed necessary or appropriate in the sole discretion of the Administrative Agent;

(C) Taxes, fees and other charges for (i) lien and title searches and title insurance and (ii) recording the Mortgages, filing financing statements and continuations, and other actions to perfect, protect, and continue the Administrative Agent's Liens;

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(D) sums paid or incurred to take any action required of any Loan Party under the Loan Documents that such Loan Party fails to pay or take; and

(E) forwarding loan proceeds, collecting checks and other items of payment, and establishing and maintaining the accounts and lock boxes, and costs and expenses of preserving and protecting the Collateral.

All of the foregoing fees, costs and expenses may be charged to the Borrowers as Revolving Loans or to another deposit account, all as described in Section 2.18(c).

(b) The Loan Parties, jointly and severally, shall indemnify the Administrative Agent, the Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all Liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by a Loan Party or a Subsidiary, or any Environmental Liability related in any way to a Loan Party or a Subsidiary, (iv) the failure of a Loan Party to deliver to the Administrative Agent the required receipts or other required documentary evidence with respect to a payment made by such Loan Party for Taxes pursuant to Section 2.17, or (v) any actual or prospective Proceeding relating to any of the foregoing, whether or not such Proceeding is brought by any Loan Party or their respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such Liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted primarily from the gross negligence or willful misconduct of such Indemnitee. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses or damages arising from any non-Tax claim.

(c) To the extent that any Loan Party fails to pay any amount required to be paid by it to the Administrative Agent (or any sub-agent thereof), the Swingline Lender or the Issuing Bank (or any Related Party of any of the foregoing) under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, the Swingline Lender or the Issuing Bank (or any Related Party of any of the foregoing), as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that the Borrowers' failure to pay any such amount shall not relieve the Borrowers of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, penalty,

liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Swingline Lender or the Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law (i) neither any Borrower nor any other Loan Party shall assert, and each Borrower and each Loan Party hereby waives, any claim against the Administrative Agent, any Joint Lead Arranger, the Issuing Bank and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a “Lender-Related Person”) for any Liabilities arising from the use by others of information or other materials (including, without limitation, any personal data) obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii) no party hereto shall assert, and each such party hereby waives, any Liabilities against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided that, nothing in this Section 9.03(d) shall relieve any Borrower or any other Loan Party of any obligation it may have to indemnify an Indemnatee, as provided in Section 9.03(b), against any special, indirect, consequential or punitive damages asserted against such Indemnatee by a third party.

(e) All amounts due under this Section 9.03 shall be payable not later than 30 days after written demand therefor.

SECTION 9.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender that is not a Defaulting Lender (and any attempted assignment or transfer by a Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment, participations in Letters of Credit and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower Representative, provided that the Borrower Representative 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, and provided further that no consent of the Borrower Representative shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent;

(C) the Issuing Bank; and

(D) the Swingline Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender, or an Approved Fund, or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower Representative and the Administrative Agent otherwise consent, provided that no such consent of the Borrower Representative shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement and shall include a proportionate amount of such Lender's Revolving Commitments as of the date of such assignment;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of \$3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Company, the other Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including federal and state securities laws.

For the purposes of this Section 9.04(b), the terms "Approved Fund" and "Ineligible Institution" have the following meanings:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Ineligible Institution" means a (a) natural person, (b) a Defaulting Lender or its Lender Parent, (c) holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof; provided that, with respect to clause (c), such holding company, investment vehicle or trust shall not constitute an Ineligible Institution if it (x) has not been established for the primary purpose of acquiring any Loans or Commitments, (y) is managed by a professional advisor, who is not such natural person or a relative thereof, having significant experience in the business of making or purchasing commercial loans, and (z) has assets greater than \$25,000,000 and a significant part of its activities consist of making or purchasing commercial loans and similar extensions of credit in the ordinary course of its business; provided that upon the occurrence of an Event of Default, any Person (other than a Lender) shall be an Ineligible Institution if after giving effect to

any proposed assignment to such Person, such Person would hold more than 25% of the then outstanding Aggregate Credit Exposure or Commitments, as the case may be or (d) a Loan Party or a Subsidiary or other Affiliate of a Loan Party.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent, the Issuing Bank and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register

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shall be available for inspection by the Borrowers, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05, 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of, or notice to, the Borrowers, the Administrative Agent, the Swingline Lender or the Issuing Bank, sell participations to one or more banks or other entities (a "Participant") other than an Ineligible Institution in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and/or the 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 Borrowers, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and/or obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Sections 2.17(f) and (g) (it being understood

that the documentation required under Section 2.17(f) shall be delivered to the participating Lender and the information and documentation required under Section 2.17(g) will be delivered to the Borrower Representative and the Administrative Agent)) 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 2.18 and 2.19 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 2.15 or 2.17 with respect to any participation than its participating Lender would have been entitled to receive, except to the

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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 Borrowers' request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(d) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, 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 this Agreement or any other Loan Document (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 this Agreement or any other 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.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the

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expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness; Electronic Execution.

(a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to (i) fees payable to the Administrative Agent and (ii) increases or reductions of the Issuing Bank Sublimit of the Issuing Bank constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of any Borrower or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, each Borrower and each Loan Party hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrowers and the Loan Parties, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or

any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (B) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (C) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document,

respectively, including with respect to any signature pages thereto and (D) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of any Borrower and/or any Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held, and other obligations at any time owing, by such Lender or any such Affiliate, to or for the credit or the account of any Loan Party against any and all of the Secured Obligations owing to such Lender or their respective Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Loan Parties may be contingent or unmatured or are owed to a branch office or Affiliate of such Lender different from the branch office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.20 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Secured Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The applicable Lender or such Affiliate shall notify the Borrower Representative and the Administrative Agent of such setoff or application; provided that the failure to give such notice shall not affect the validity of such setoff or application under this Section. The rights of each Lender, and their respective Affiliates under this Section are in

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addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) The Loan Documents (other than those containing a contrary express choice of law provision) shall be governed by and construed in accordance with the internal laws of the State of New York, but giving effect to federal laws applicable to national banks.

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any U.S. federal or New York state court sitting in New York, New York in any action or proceeding arising out of or relating to any Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such state court or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other

Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE OR OTHER AGENT (INCLUDING ANY ATTORNEY) OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN

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INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by any Requirement of Law or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (x) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, or

(y) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Loan Parties and their obligations or (z) to credit insurers or reinsurers or any counterparty to any securitization transaction with respect to the Obligations, (g) with the consent of the Borrower Representative (h) to holders of Equity Interests in any Borrower, (i) to any Person providing a Guarantee of all or any portion of the Secured Obligations; (j) on a confidential basis to (1) any rating agency in connection with rating any Borrower or its Subsidiaries or the credit facilities provided for herein or (2) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of identification numbers with respect to the credit facilities provided for herein, or (k) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a non-confidential basis from a source other than the Borrowers. For the purposes of this Section, "Information" means all information received from the Borrowers relating to the Borrowers or their business, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a non-confidential basis prior to disclosure by the Borrowers and other than information pertaining to this Agreement provided by arrangers to data service providers, including league table providers, that serve the lending industry; provided that, in the case of information received from the Borrowers after the date hereof, such information is clearly identified at the time of delivery as confidential. 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 LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY

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INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWERS, THE OTHER LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY ANY BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWERS, THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWERS AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

SECTION 9.13. Several Obligations; Nonreliance; Violation of Law. The respective obligations of the Lenders hereunder are several and not joint and the failure of any Lender to make any Loan or perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. Each Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U of the Federal Reserve Board) for the repayment of the Borrowings provided for herein. Anything contained in this Agreement to the contrary notwithstanding, neither the Issuing Bank nor any Lender shall be obligated to extend credit to the Borrowers in violation of any Requirement of Law.

SECTION 9.14. USA PATRIOT Act. Each Lender that is subject to the requirements of the USA PATRIOT Act hereby notifies each Loan Party that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the USA PATRIOT Act.

SECTION 9.15. Disclosure. Each Loan Party, each Lender and the Issuing Bank hereby acknowledges and agrees that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with, any of the Loan Parties and their respective Affiliates.

SECTION 9.16. Appointment for Perfection. Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Administrative Agent and the Secured Parties, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession or control. Should any Lender (other than the Administrative Agent) obtain possession or control of any such Collateral, such Lender

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shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or otherwise deal with such Collateral in accordance with the Administrative Agent's instructions.

SECTION 9.17. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the NYFRB Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.18. Marketing Consent. The Borrowers hereby authorize each Joint Lead Arranger and its affiliates, at their respective sole expense, but without any prior approval by the Borrowers, to publish such tombstones and give such other publicity to this Agreement as each may from time to time determine in its sole discretion. The foregoing authorization shall remain in effect unless the Borrower Representative notifies the Joint Lead Arrangers in writing that such authorization is revoked.

SECTION 9.19. 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 Affected Financial Institution arising under any Loan Document 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:

(a) 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 party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

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(iii) 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.

SECTION 9.20. Judgment Currency. If for the purpose of obtaining judgment in any court it is necessary to convert an amount due hereunder in the currency in which it is due (the "Original Currency") into another currency (the "Second Currency"), the rate of exchange applied shall be that at which, in accordance with normal banking procedures, the Administrative Agent could purchase the Original Currency with the

Second Currency at the Spot Rate on the date two Business Days preceding that on which judgment is given. The Borrowers agree that their obligations in respect of any Original Currency due from it hereunder shall, notwithstanding any judgment or payment in such other currency, be discharged only to the extent that, on the Business Day following the date the applicable Agent receives payment of any sum so adjudged to be due hereunder in the Second Currency, the Administrative Agent may, in accordance with normal banking procedures, purchase, in the New York foreign exchange market, the Original Currency with the amount of the Second Currency so paid; and if the amount of the Original Currency so purchased or could have been so purchased is less than the amount originally due in the Original Currency, the Borrowers agree as a separate obligation and notwithstanding any such payment or judgment to indemnify the Administrative Agent against such loss. The term "rate of exchange" in this Section means the Spot Rate at which the Administrative Agent, in accordance with normal practices, is able on the relevant date to purchase the Original Currency with the Second Currency, and includes any premium and costs of exchange payable in connection with such purchase.

SECTION 9.21. Acknowledgement Regarding Any Supported QFCs.

(a) To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or without regard to its conflict of laws principle, except to the extent that the application of New York law would result in a violation of the United States or any other state of the United States): Delaware General Corporation Law.

(b) 11. In the event a Covered Entity that is party Successors in Interest. This Agreement shall inure 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 and be binding upon 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 successor to the same extent as Company. This Agreement shall inure to the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws benefit of the United States or a state of Grantee's heirs, executors, administrators and successors. All obligations imposed upon the United States. Grantee and all rights granted to the Company under this Agreement shall be binding upon the Grantee's heirs, executors, administrators and successors.

12. Tax Withholding. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject addition 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

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than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of the Company pursuant to Section 14(a) of the Plan, upon the vesting of shares of Restricted Stock granted under this Agreement or otherwise, the Company may withhold (or sell on Grantee's behalf) a number of shares of Class A common stock having a Fair Market Value on the vesting date sufficient to satisfy the federal, state and local withholding tax requirements, if any, Covered Party with respect to a Supported QFC or any QFC Credit Support.

SECTION 9.22. No Fiduciary Duty, etc. (a) Each Loan Party acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that no Credit Party will have any obligations except those obligations expressly set forth herein and in the other Loan Documents and each Credit Party is acting solely in the capacity of an arm's length contractual counterparty attributable to such Loan Party with respect to the Loan Documents and the transactions contemplated herein and therein and vesting, but not as a financial advisor or a fiduciary to, or an agent of, any Borrower or any other person. Each Loan Party agrees that it will not assert any claim against any Credit Party based on an alleged breach of

fiduciary duty by **greater than** such Credit Party in connection with this Agreement and the transactions contemplated hereby. Additionally, each Loan Party acknowledges and agrees that no Credit Party is advising the Borrowers as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. The Borrowers shall consult with their own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated herein or in the other Loan Documents, and the Credit Parties shall have no responsibility or liability to the Borrowers with respect thereto. **withholding obligations.**

SECTION 9.23. **13. Mortgaged Real Property.** Each of the parties hereto acknowledges and agrees that, if there is any real property subject to a Mortgage, any increase, extension or renewal of any of the Commitments or Loans (including the increase in additional Revolving Commitments pursuant to Section 2.09 but excluding (i) any continuation or conversion of borrowings, (ii) the making of any Revolving Loans and Swingline Loans or (iii) the issuance, renewal or extension of Letters of Credit) shall be subject to (and conditioned upon): (1) the prior delivery of all flood hazard determination certifications, acknowledgements and evidence of flood insurance and other flood-related documentation with respect to such real property as required by Flood Insurance Laws and as otherwise reasonably required by the Lenders and (2) the Administrative Agent shall have received written confirmation from the Lenders that flood insurance due diligence and flood insurance compliance has been completed by the Lenders (such written confirmation not to be unreasonably withheld, conditioned or delayed).

SECTION 9.24. **Joint and Several.** Each Borrower hereby unconditionally and irrevocably agrees it is jointly and severally liable to the Administrative Agent, the Issuing Bank and the Lenders for the Secured Obligations. In furtherance thereof, each Borrower agrees that wherever in this Agreement it is provided that a Borrower is liable for a payment, such obligation is the joint and several obligation of each Borrower. Each Borrower acknowledges and agrees that its joint and several liability under this Agreement and the Loan Documents is absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever by the Administrative Agent, the Issuing Bank, any Lender or any other Person. Each Borrower's liability for the Secured Obligations shall not in any manner be impaired or affected by who receives or uses the proceeds of the credit extended hereunder or for what purposes such proceeds are used, and each Borrower waives notice of borrowing requests

issued by, and loans or other extensions of credit made to, other Borrowers. Each Borrower hereby agrees not to exercise or enforce any right of exoneration, contribution, reimbursement, recourse or subrogation available to such Borrower against any party liable for payment under this Agreement and the Loan Documents unless and until the Administrative Agent, each Issuing Bank and each Lender has been paid in full and all of the Secured Obligations are satisfied and discharged following termination or expiration of all commitments of the Lenders to extend credit to the Borrowers. Each Borrower's joint and several liability hereunder with respect to the Secured Obligations shall, to the fullest extent permitted by applicable law, be the unconditional liability of such Borrower irrespective of (i) the validity, enforceability, avoidance or subordination of any of the Secured Obligations or of any other document evidencing all or any part of the Secured Obligations, (ii) the absence of any attempt to collect any of the Secured Obligations from any other Loan Party or any Collateral or other security therefor, or the absence of any other action to enforce the same, (iii) the amendment, modification, waiver, consent, extension, forbearance or granting of any indulgence by the Administrative Agent or any Lender with respect to any provision of any instrument executed by any other Loan Party evidencing or securing the payment of any of the Secured Obligations, or any other agreement now or hereafter executed by any other Loan Party and delivered to the Administrative Agent, (iv) the failure by the Administrative Agent or any Lender to take any steps to perfect or maintain the perfected status of its Lien upon, or to preserve its rights to, any of the Collateral or other security for the payment or performance of any of the Secured Obligations or the Administrative Agent's release of any Collateral or of its Liens upon any Collateral, (v) the release or compromise, in whole or in part, of the liability of any other Loan Party for the payment of any of the Secured Obligations, (vi) any increase in the amount of the Secured Obligations beyond any limits imposed herein or in the amount of any interest, fees or other charges payable in connection therewith, in each case, if consented to by any other Borrower, or any decrease in the same, or (vii) any other circumstance that might constitute a legal or equitable discharge or defense of any Loan Party. After the occurrence and during the continuance of any Event of Default, the Administrative Agent may proceed directly and at once, without notice to any Borrower, against any or all of Loan Parties to collect and recover all or any part of the Secured Obligations, without first proceeding against any other Loan Party or against any Collateral or other security for the payment or performance of any of the Secured Obligations, and each Borrower waives any provision that might otherwise require the Administrative Agent or the Lenders under applicable law to pursue or exhaust its remedies against any Collateral or other Loan Party before pursuing such Borrower or its property. Each Borrower consents and agrees that

neither the Administrative Agent nor any Lender shall be under no obligation to marshal any assets in favor of any Loan Party or against or in payment of any or all of the Secured Obligations.

SECTION 9.25. Amendment and Restatement Data Privacy.

(a) 13.1 On The Grantee hereby explicitly and unambiguously consents to the Restatement Date, collection, use and transfer, in electronic or other form, of the Existing Credit Agreement shall be amended, restated Grantee's personal data as described in the Grant Notice and superseded in its entirety hereby. The parties hereto acknowledge and agree that (i) this Agreement by and among, as applicable, the Grantee's employer, the Company and any promissory notes delivered pursuant to Section 2.10(e) related entity for the exclusive purpose of implementing, administering and managing the other Loan Documents executed and delivered in connection herewith do not constitute a novation, payment and reborrowing, refinancing or termination of the obligations under the Existing Credit Agreement as in effect prior to the Restatement Date; (ii) the "Loans" (as defined Grantee's participation in the Existing Credit Agreement) have not become due and payable prior to the Restatement Date as a result of the amendment and restatement of the Existing Credit Agreement; (iii) such obligations are in all Plan.

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respects continuing with only 13.2 The Grantee understands that the terms thereof being modified as provided in this Agreement;

(iv) upon the effectiveness of this Agreement all loans and letters of credit outstanding under the Existing Credit Agreement immediately before the effectiveness of this Agreement will be part of the Loans and Letters of Credit hereunder on the terms and conditions set forth in this Agreement; and (v) the Liens granted under the Existing Credit Agreement Company and the Grantee's employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance or other Collateral Documents (as defined identification number, salary, nationality, job title, any Shares or directorships held in the Existing Credit Agreement) securing payment Company, details of such obligations are in all respects ratified, confirmed, and continuing and in full force and effect, without interruption or impairment of any kind, after giving effect to this Agreement and the other Loan Documents and the transactions contemplated hereby and shall continue to secure the Obligations (as defined herein), except to the extent such Collateral Documents are amended, restated, modified or otherwise supplemented on the Restatement Date.

(b) Notwithstanding the modifications effected by this Agreement of the representations, warranties and covenants of any Loan Party contained in the Existing Credit Agreement, such Loan Party acknowledges and agrees that any causes of action or other rights created prior to the Restatement Date in favor of any Lender and its successors arising out of the representations and warranties of such Loan Party and contained in or delivered (including representations and warranties delivered in connection with the making of the loans or other extensions of credit thereunder) in connection with the Existing Credit Agreement Restricted Stock Units or any other Loan Document executed entitlement to Shares awarded, canceled, vested, unvested or outstanding in connection therewith prior the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

13.3 The Grantee understands that Data will be transferred to any third party assisting the Restatement Date shall survive Company with the execution implementation, administration and delivery management of this Agreement; provided, however, that it is understood and agreed the Plan. The Grantee understands that the Borrowers' monetary obligations under the Existing Credit Agreement in respect recipients of the loans Data may be located in the Grantee's country, or elsewhere, and letters that the recipients' country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of credit thereunder are now monetary obligations any potential recipients of the Borrowers as evidenced Data by this Agreement as provided in Section 2 hereof.

(c) All indemnification obligations of contacting the Grantee's local human resources representative. The Grantee authorizes the Company and any Loan Party pursuant to other possible recipients which may assist the Existing Credit Agreement (including any arising from a breach of the representations thereunder) with respect to any losses, claims, damages, liabilities and related expenses occurring prior to the Restatement Date shall survive the amendment and restatement of the Existing Credit Agreement pursuant to this Agreement. All costs and expenses which were due and owing under the Existing Credit Agreement shall continue to be due and owing under, and shall be due and payable in accordance with, this Agreement.

(d) On and after the Restatement Date, each reference Company currently or in the Loan Documents future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the "Credit Agreement", "thereunder", "thereof" Data, in

electronic or similar words referring other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Existing Credit Agreement shall mean and be a reference to this Agreement.

ARTICLE X

Loan Guaranty

SECTION 10.01. Guaranty. Each Loan Guarantor (other than those that have delivered a separate Guaranty) hereby agrees that it is jointly and severally liable for, and, as a primary obligor and not merely as surety, absolutely, unconditionally and irrevocably guarantees to Grantee's participation in the Secured Parties, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of the Secured Obligations and all costs and expenses, including, without limitation, all court costs and reasonable attorneys' and paralegals'

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fees (including allocated costs of in-house counsel and paralegals) and expenses paid or incurred by the Administrative Agent, the Issuing Bank and the Lenders in endeavoring to collect all or any part of the Secured Obligations from, or in prosecuting any action against, any Borrower, any Loan Guarantor or any other guarantor of all or any part of the Secured Obligations (such costs and expenses, together with the Secured Obligations, collectively the "Guaranteed Obligations"; provided, however, Plan. The Grantee understands that the definition of "Guaranteed Obligations" shall not create any guarantee by any Loan Guarantor of (or grant of security interest by any Loan Guarantor to support, as applicable) any Excluded Swap Obligations of such Loan Guarantor for purposes of determining any obligations of any Loan Guarantor). Each Loan Guarantor further agrees that the Guaranteed Obligations Grantee may, be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal. All terms of this Loan Guaranty apply to and may be enforced by or on behalf of any domestic or foreign branch or Affiliate of any Lender that extended any portion of the Guaranteed Obligations.

SECTION 10.02. Guaranty of Payment.

(a) This Loan Guaranty is a guaranty of payment and not of collection. Each Loan Guarantor waives any right to require the Administrative Agent, the Issuing Bank or any Lender to sue any Borrower or any Loan Guarantor, or any other guarantor of, or any other Person obligated for, all or any part of the Guaranteed Obligations (each, an "Obligated Party"), or otherwise to enforce its payment against any collateral securing all or any part of the Guaranteed Obligations.

SECTION 10.03. No Discharge or Diminishment of Loan Guaranty.

(a) Except as otherwise provided for herein, the obligations of each Loan Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the Payment in Full of the Guaranteed Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration or compromise of any of the Guaranteed Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of any Borrower or any other Obligated Party liable for any of the Guaranteed Obligations; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Obligated Party or their assets, or any resulting release or discharge of any obligation of any Obligated Party; or (iv) the existence of any claim, setoff or other rights which any Loan Guarantor may have at any time, against view Data, request additional information about the storage and processing of Data, require any Obligated Party, necessary amendments to Data or refuse or withdraw the Administrative Agent, the Issuing Bank, any Lender or any other Person, whether in connection herewith or consents herein, in any unrelated transactions.

(b) case without cost, by contacting in writing the Grantee's local human resources representative. The obligations Grantee understands, however, that refusal or withdrawal of each Loan Guarantor hereunder are not subject consent may affect the Grantee's ability to any defense or

setoff, counterclaim, recoupment or termination whatsoever by reason participate in the Plan. For more information on the consequences of the invalidity, illegality Grantee's refusal to consent or unenforceability of any of the Guaranteed Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Obligated Party, of the Guaranteed Obligations or any part thereof.

(c) Further, the obligations of any Loan Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of the Administrative Agent, the Issuing Bank

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or any Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Guaranteed Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Guaranteed Obligations; (iii) any release, non-perfection or invalidity of any indirect or direct security for the obligations of any Borrower for all or any part of the Guaranteed Obligations or any obligations of any other Obligated Party liable for any of the Guaranteed Obligations; (iv) any action or failure to act by the Administrative Agent, the Issuing Bank or any Lender with respect to any collateral securing any part of the Guaranteed Obligations; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Guaranteed Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Loan Guarantor or that would otherwise operate as a discharge of any Loan Guarantor as a matter of law or equity (other than the Payment in Full of the Guaranteed Obligations).

SECTION 10.04. Defenses Waived. To the fullest extent permitted by applicable law, each Loan Guarantor hereby waives any defense based on or arising out of any defense of any Borrower or any Loan Guarantor or the unenforceability of all or any part of the Guaranteed Obligations from any cause, or the cessation from any cause of the liability of any Borrower, any Loan Guarantor or any other Obligated Party, other than the Payment in Full of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Loan Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Obligated Party or any other Person. Each Loan Guarantor confirms that it is not a surety under any state law and shall not raise any such law as a defense to its obligations hereunder. The Administrative Agent may, at its election, foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any collateral securing all or a part of the Guaranteed Obligations, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with any Obligated Party or exercise any other right or remedy available to it against any Obligated Party, without affecting or impairing in any way the liability of such Loan Guarantor under this Loan Guaranty, except to the extent the Guaranteed Obligations have been Paid in Full. To the fullest extent permitted by applicable law, each Loan Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Loan Guarantor against any Obligated Party or any security.

SECTION 10.05. Rights of Subrogation. No Loan Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification, that it has against any Obligated Party or any collateral, until the Loan Parties and the Loan Guarantors have fully performed all their obligations to the Administrative Agent, the Issuing Bank and the Lenders.

SECTION 10.06. Reinstatement; Stay of Acceleration. If at any time any payment of any portion of the Guaranteed Obligations (including a payment effected through exercise of a right of setoff) is rescinded, or must otherwise be restored or returned upon the insolvency, bankruptcy or reorganization of any Borrower or otherwise (including pursuant to any settlement entered into by a Secured Party in its discretion), each Loan Guarantor's obligations under this

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Loan Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not the Administrative Agent, the Issuing Bank and the Lenders are in possession of this Loan Guaranty. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of any Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Guaranteed Obligations shall nonetheless be payable by the Loan Guarantors forthwith on demand by the Administrative Agent.

SECTION 10.07. Information. Each Loan Guarantor assumes all responsibility for being and keeping itself informed of the Borrowers' financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that each Loan Guarantor assumes and incurs under this Loan Guaranty, and agrees that none of the Administrative Agent, the Issuing Bank or any Lender shall have any duty to advise any Loan Guarantor of information known to it regarding those circumstances or risks.

SECTION 10.08. Termination. Each of the Lenders and the Issuing Bank may continue to make loans or extend credit to the Borrowers based on this Loan Guaranty until five (5) days after it receives written notice of termination from any Loan Guarantor. Notwithstanding receipt of any such notice, each Loan Guarantor will continue to be liable to the Lenders for any Guaranteed Obligations created, assumed or committed to prior to the fifth day after receipt of the notice, and all subsequent renewals, extensions, modifications and amendments with respect to, or substitutions for, all or any part of such Guaranteed Obligations. Nothing in this Section 10.08 shall be deemed to constitute a waiver of, or eliminate, limit, reduce or otherwise impair any rights or remedies the Administrative Agent or any Lender may have in respect of, any Default or Event of Default that shall exist under Article VII hereof as a result of any such notice of termination.

SECTION 10.09. Taxes. Each payment of the Guaranteed Obligations will be made by each Loan Guarantor without withholding for any Taxes, unless such withholding is required by law. If any Loan Guarantor determines, in its sole discretion exercised in good faith, that it is so required to withhold Taxes, then such Loan Guarantor may so withhold and shall timely pay the full amount of withheld Taxes to the relevant Governmental Authority in accordance with applicable law. If such Taxes are Indemnified Taxes, then the amount payable by such Loan Guarantor shall be increased as necessary so that, net of such withholding (including such withholding applicable to additional amounts payable under this Section), the Administrative Agent, Lender or Issuing Bank (as the case may be) receives the amount it would have received had no such withholding been made.

SECTION 10.10. Maximum Liability. Notwithstanding any other provision of this Loan Guaranty, the amount guaranteed by each Loan Guarantor hereunder shall be limited to the extent, if any, required so that its obligations hereunder shall not be subject to avoidance under Section 548 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, Uniform Voidable Transactions Act or similar statute or common law. In determining the limitations, if any, on the amount of any Loan Guarantor's obligations hereunder pursuant to the preceding sentence, it is the intention of the parties hereto that any rights of subrogation, indemnification or contribution which such Loan Guarantor may

have under this Loan Guaranty, any other agreement or applicable law shall be taken into account.

SECTION 10.11. Contribution.

(a) To the extent that any Loan Guarantor shall make a payment under this Loan Guaranty (a “Guarantor Payment”) which, taking into account all other Guarantor Payments then previously or concurrently made by any other Loan Guarantor, exceeds the amount which otherwise would have been paid by or attributable to such Loan Guarantor if each Loan Guarantor had paid the aggregate Guaranteed Obligations satisfied by such Guarantor Payment in the same proportion as such Loan Guarantor’s “Allocable Amount” (as defined below) (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of each of the Loan Guarantors as determined immediately prior to the making of such Guarantor Payment, then, following infeasible payment in full in cash of the Guarantor Payment and the Guaranteed Obligations (other than Unliquidated Obligations that have not yet arisen), and all Commitments and Letters of Credit have terminated or expired or, in the case of all Letters of Credit, are fully collateralized on terms reasonably acceptable to the Administrative Agent and the Issuing Bank, and this Agreement, the Swap Agreement Obligations and the Banking Services Obligations have terminated, such Loan Guarantor shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Loan Guarantor for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(b) As of any date of determination, the “Allocable Amount” of any Loan Guarantor shall be equal to the excess of the fair saleable value of the property of such Loan Guarantor over the total liabilities of such Loan Guarantor (including the maximum amount reasonably expected to become due in respect of contingent liabilities, calculated, without duplication, assuming each other Loan Guarantor that is also liable for such contingent liability pays its ratable share thereof), giving effect to all payments made by other Loan Guarantors as of such date in a manner to maximize the amount of such contributions.

(c) This Section 10.11 is intended only to define the relative rights of the Loan Guarantors, and nothing set forth in this Section 10.11 is intended to or shall impair the obligations of the Loan Guarantors, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Loan Guaranty.

(d) The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of the Loan Guarantor or Loan Guarantors to which such contribution and indemnification is owing.

(e) The rights of the indemnifying Loan Guarantors against other Loan Guarantors under this Section 10.11 shall be exercisable upon the full and infeasible payment of the Guaranteed Obligations in cash (other than Unliquidated Obligations that have not yet arisen) and the termination or expiry (or, in the case of all Letters of Credit, full cash collateralization), on terms reasonably acceptable to the Administrative Agent and the Issuing Bank, of the

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Commitments and all Letters of Credit issued hereunder and the termination of this Agreement, the Swap Agreement Obligations and the Banking Services Obligations.

SECTION 10.12. Liability Cumulative. The liability of each Loan Party as a Loan Guarantor under this Article X is in addition to and shall be cumulative with all liabilities of each Loan Party to the Administrative Agent, the Issuing Bank and the Lenders under this Agreement and the other Loan Documents to which such Loan Party is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

SECTION 10.13. Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Guarantee in respect of a Swap Obligation (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 10.13 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 10.13 or otherwise under this Loan Guaranty voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). Except as otherwise provided herein, the obligations of each Qualified ECP Guarantor under this Section 10.13 shall remain in full force and effect until the termination of all Swap Obligations. Each Qualified ECP Guarantor intends that this Section 10.13 constitute, and this Section

10.13 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

ARTICLE XI

The Borrower Representative

SECTION 11.01. Appointment; Nature of Relationship. The Company is hereby appointed by each of the Borrowers as its contractual representative (herein referred to as the “Borrower Representative”) hereunder and under each other Loan Document, and each of the Borrowers irrevocably authorizes the Borrower Representative to act as the contractual representative of such Borrower with the rights and duties expressly set forth herein and in the other Loan Documents. The Borrower Representative agrees to act as such contractual representative upon the express conditions contained in this Article XI. Additionally, the Borrowers hereby appoint the Borrower Representative as their agent to receive all of the proceeds of the Loans in the Funding Account(s), at which time the Borrower Representative shall promptly disburse such Loans to the appropriate Borrower(s), provided that such amount shall not exceed Availability. The Administrative Agent and the Lenders, and their respective officers, directors, agents or employees, shall not be liable to the Borrower Representative or any Borrower for any action taken or omitted to be taken by the Borrower Representative or the Borrowers pursuant to this Section 11.01.

SECTION 11.02. Powers. The Borrower Representative shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Borrower Representative by the terms of each thereof, together with such powers as are reasonably

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incidental thereto. The Borrower Representative shall have no implied duties to the Borrowers, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Borrower Representative.

SECTION 11.03. Employment of Agents. The Borrower Representative may execute any of its duties as the Borrower Representative hereunder and under any other Loan Document by or through authorized officers.

SECTION 11.04. Notices. Each Borrower shall immediately notify the Borrower Representative of the occurrence of any Default or Event of Default hereunder, refer to this Agreement, describe such Default or Event of Default, and state that such notice is a “notice of default”. In the event that the Borrower Representative receives such a notice, the Borrower Representative shall give prompt notice thereof to the Administrative Agent and the Lenders. Any notice provided to the Borrower Representative hereunder shall constitute notice to each Borrower on the date received by the Borrower Representative.

SECTION 11.05. Successor Borrower Representative. Upon the prior written consent of the Administrative Agent, the Borrower Representative may resign at any time, such resignation to be effective upon the appointment of a successor Borrower Representative. The Administrative Agent shall give prompt written notice of such resignation to the Lenders.

SECTION 11.06. Execution of Loan Documents. The Borrowers hereby empower and authorize the Borrower Representative, on behalf of the Borrowers, to execute and deliver to the Administrative Agent and the Lenders the Loan Documents (other than the Credit Agreement and any notes pursuant to Section 2.10(e) or any amendment or joinder document pursuant to which such Person becomes a Borrower hereunder, in each case, which shall be executed by each Borrower) and all related agreements, certificates, documents, or instruments as shall be necessary or appropriate to effect the purposes of the Loan Documents, including, without limitation, the Compliance Certificates. Each Borrower agrees that any action taken by the Borrower Representative or the Borrowers in accordance with the terms of this Agreement or the other Loan Documents, and the exercise by the Borrower Representative of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Borrowers.

(Signature Pages Follow)

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

BORROWERS: STAGWELL MARKETING GROUP LLC

By:Name: Ryan Greene

Title: Authorized Person

STAGWELL GLOBAL LLC

By:Name: Frank Lanuto

Title: Authorized Person

MAXXCOM LLC

By:Name: Frank Lanuto

Title: Authorized Person

GUARANTORS: STAGWELL MARKETING GROUP HOLDINGS LLC STAGWELL PERFORMANCE MARKETING & DIGITAL
TRANSFORMATION LLC
PMX AGENCY LLC SKDKNICKERBOCKER LLC CODE AND THEORY LLC CODE
AND THEORY (SF) LLC
MEDIACURRENT INTERACTIVE SOLUTIONS, LLC RHYTHM INTERACTIVE LLC
STAGWELL MARKET RESEARCH LLC HARRIS INSIGHTS AND ANALYTICS LLC SCOUT
MARKETING LLC
NATIONAL RESEARCH GROUP, INC. MULTI-VIEW HOLDINGS INC. MULTI-VIEW, INC.
CONTENT MANAGEMENT CORPORATION HARRISX LLC
GRASON AGENCY LLC TARGETED VICTORY, LLC TARGETED HOLDINGS LLC
FORWARDPMX GROUP LLC
STAGWELL MARKETING COMMUNICATIONS LLC THE SEARCH AGENCY INC.
STAGWELL PERFORMANCE MARKETING INC. GRASON AGENCY GROUP LLC
SLOANE & COMPANY LLC KETTLE SOLUTIONS LLC MMI AGENCY, LLC
CODE AND THEORY SOUTH AMERICA LLC TRUELOGIC SOFTWARE LLC
As to all the above

By Name: Ryan Greene
Title: Authorized Person

MDC CORPORATE (US) LLC ANOMALY PARTNERS LLC A-ALLIANCE LLC
CRISPIN PORTER & BOGUSKY LLC TARGETCAST LLC
GALE PARTNERS LLC Y MEDIA LABS LLC
72ANDSUNNY PARTNERS, LLC
72ANDSUNNY PARTNERS LLC COLLE & MCVOY LLC CONCENTRIC PARTNERS LLC
DONER PARTNERS LLC
HPR PARTNERS, LLC YAMAMOTO, LLC
UNIQUE INFLUENCE PARTNERS LLC ALLEGORY LLC
ANOMALY PARTNERS LA LLC MONO ADVERTISING, LLC 72ANDSUNNY MIDCO LLC

As to all the above

By Name: Frank Lanuto
Title: Authorized Person

Exhibit 10.15.1

JPMORGAN CHASE BANK, N.A., individually, and as Administrative Agent and a Lender

By: Name:
Title:

CITIZENS BANK, N.A., as a Lender

By: Name: Jamie Salas

Title: SVP

BANK OF AMERICA, N.A., as a Lender

By: Name: Jessica Cullen

Title: Vice President

**FIFTH THIRD BANK, NATIONAL
ASSOCIATION, as a Lender**

By: Name: Eric Oberfield

Title: Executive Director

M&T BANK, as a Lender

By: Name:

Title:

WELLS FARGO BANK, N.A., as a Lender

By: Name:

Title:

Exhibit 10.9.3

STAGWELL, INC.

STOCK APPRECIATION RIGHTS AGREEMENT

STOCK APPRECIATION RIGHTS AGREEMENT (withdrawal of consent, the "Agreement") by and between Stagwell Inc. (the "Company") and Mark Penn (the "Participant"), dated as of March 1, 2023 (the "Date of Grant").

1. **Definitions.** Capitalized terms which are not defined herein shall have the meaning set forth in the Company's Second Amended and Restated 2016 Stock Incentive Plan (as amended, the "Plan").
2. **Award Terms.**
 - (a) **Number of Shares and Base Price.** The Company hereby grants to the Participant an award (the "Award"), subject to the terms and conditions set forth herein, of stock appreciation rights in respect of 225,000 underlying Class A Shares (the "SARs"). The "Base Price" means \$6.79.
 - (b) **Term of Award.** Unless the Award is earlier terminated pursuant to this Agreement, the term of the Award shall commence on the Date of Grant and terminate on the five (5) year anniversary of the Date of Grant (the "Termination Date"). No SARs shall be exercisable after the Termination Date.
 - (c) **Vesting.** Unless otherwise provided in this Agreement, the SARs shall vest and become exercisable in three equal installments (each consisting of stock appreciation rights of 75,000 underlying Class A Shares) on each of the first three (3) anniversaries of the Date of Grant (each such date, a "Vesting Date"), subject to the Participant's continued employment with the Company through the applicable Vesting Date.
3. **Benefit upon Exercise.** The exercise of vested SARs with respect to any number of Class A Shares shall entitle the Participant to (i) a cash payment, for each such share, equal to the excess of (A) the Fair Market Value of a Class A Share on the effective date of such exercise over (B) the Base Price of the SARs exercised (the aggregate of such excess amounts for all such Class A Shares, the "SAR Amount"), (ii) the issuance or transfer to the Participant of the greatest number of whole Class A Shares that on the date of the exercise of the SARs have an aggregate Fair Market Value equal to the SAR Amount or (iii) a combination of cash and Class A Shares in amounts equal to the SAR Amount, as determined by the Committee.
4. **Acceleration of Vesting.** Any unvested SARs shall immediately become fully vested and exercisable upon the first to occur of the following events:
 - (a) the Participant's employment with the Company is terminated either by the Company without "Cause" or by the Participant for "Good Reason" (such terms as defined in the Participant's employment agreement); or
 - (b) the Participant's employment with the Company is terminated by reason of the Participant's death, Disability or Retirement (such terms as defined in the Participant's employment agreement).

1. Termination of Employment.

- (a) Unvested SARs. Except as provided in Section 4, upon termination of the Participant's employment with the Company for any reason, any portion of the SARs then held by the Participant which is not vested and exercisable as of the effective date of such termination of employment shall be immediately cancelled and forfeited without regard to any statutory or common law notice or severance to which the Participant may be entitled.
- (b) Vested SARs. Upon termination of the Participant's employment with the Company for any reason, any SARs then held by the Participant which are vested and exercisable as of the effective date of such termination of employment shall remain exercisable for a period of three months following the effective date of termination of such employment; provided, however, that any SARs that vest pursuant to Section 4 shall remain exercisable through the Termination Date; provided, further, that no SARs may be exercised beyond the Termination Date.

2. Method, Timing of Exercise. The Participant may exercise any vested and exercisable SARs at any time where such exercise is not prohibited by applicable securities laws, until the expiration of the SARs or, if earlier, the date provided in Section 5. All or any portion of the SARs may be exercised by delivering notice to the Company's principal office, to the attention of its General Counsel. Such notice shall specify the number of Class A Shares with respect to which the SARs are being exercised, shall be effective as of the date of receipt of the Company, and shall be signed by the Participant or other person then having the right to exercise the SARs. No portion of the SARs may be exercised for less than 100 shares unless the total remaining number of shares subject to the Award is less than 100. Payment with respect to the exercise of SARs (whether through the issuance of Class A Shares or in cash) shall be made by the Company within 30 days following the exercise of the SARs.

3. Transferability and Assignability. The rights or interests of the Participant under this Agreement shall not be assignable or transferable, otherwise than by will or the laws governing the devolution of property in the event of death and such rights or interests shall not be encumbered. Notwithstanding the foregoing, the Participant may transfer or assign his rights under this Agreement for estate planning purposes and without consideration to a trust or trusts for the exclusive benefit of the Participant and his family members.

4. No Right as a Stockholder. The Participant shall have no rights as a stockholder with respect to Class A Shares to which an Award relates until the exercise of a SAR and delivery of the underlying Class A Shares (if applicable).

5. Tax Withholding. The Company may withhold from any amount payable to the Participant, such amount as may be necessary so as to ensure Grantee understands that the Company will be able to comply with applicable provisions of any federal, provincial, state or Grantee may contact the Grantee's local law relating to withholding of tax or other required deductions, including on the amount, if any, which must be included in the income of the Participant. The Company shall, in this connection, have the right in its discretion to satisfy any such withholding tax liability by retaining or acquiring (or selling on the Participant's behalf) any Class A Shares which are or would otherwise be issued or provided to the Participant hereunder, or withholding any portion of any cash amount payable to the Participant hereunder or pursuant to any such sale on the Participant's behalf. The Company shall also have the right to withhold the delivery of any Class A Shares and any cash payment payable to the Participant hereunder unless and until the Participant pays to the Company a sum sufficient to

indemnify the Company for any liability to withhold tax in respect of the amounts included in the income of the Participant as a result of the settlement of the SARs, to the extent that such tax is not otherwise being withheld from payments to the Participant by the Company. human resources representative.

6. No Right to Employment, Service or Office. No person shall have any claim or right to receive grants or Awards under this Agreement. Neither the grant of the Award, nor any action taken or omitted to be taken under this Agreement shall be deemed to create or confer on any employee, officer, director or service provider any right to be retained in the employ or service of the Company or any subsidiary or other affiliate thereof, or to interfere with or to limit in any way the right of the Company or any subsidiary or other affiliate thereof to terminate the employment, office or service of such employee, officer, director or service provider at any time.

7. Notices. All notices and other communications under this Agreement shall be in writing (including PDF) and shall be given by hand delivery to the other party, by email or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Participant:

Mr. Mark Penn

Address as on file with the Company

If to the Company:

Stagwell Inc.

One World Trade Center, Floor 65

New York, NY 10007

Attn: General Counsel

notice@stagwellglobal.com

Either party may furnish to the other in writing a substitute address and email for delivery of notice in accordance with this section. Notices and communications shall be effective when actually received by the addressee.

8. Adjustment of and Changes in Shares. In the event that the Committee shall determine that any amalgamation, arrangement, merger, consolidation, recapitalization, reclassification, stock dividend, distribution of property, special cash dividend, or other change in corporate structure has affected the Class A Shares such that an adjustment is appropriate in order to prevent dilution or enlargement of the Participant's rights under this Agreement, the Committee shall make such adjustments, if any, as it deems appropriate in the number and class of shares subject to, and the Base Price of, the Award. The foregoing adjustments shall be determined by the Committee in its reasonable discretion.

9. Administration. The Committee shall have the authority to adopt such rules as it may deem appropriate to carry out the purposes of this Agreement, and shall have the authority to interpret and construe the provisions of this Agreement and to make determinations pursuant to any provision of this Agreement. Each interpretation, determination or other action made or taken by the Committee pursuant to this Agreement shall be final and binding on all persons. No member of the Committee shall be liable for any action or determination made in good faith, and the members of the Committee shall be entitled to indemnification and reimbursement in the manner

provided in the Company's articles and by-laws, as the same may be amended from time to time. The Committee may designate persons other than its members to carry out its responsibilities under such conditions or limitations as it may set, as permitted by this Agreement.

10. Amendment and Termination. The Committee may at any time and from time to time alter, amend, suspend or terminate this Agreement in whole or in part, subject to receipt of all necessary approvals. Notwithstanding the foregoing, termination or amendment of this Agreement in a manner that may adversely affect the rights of the Participant under this Agreement shall require (i) a majority vote of the Committee and (ii) consent of the Participant.

11. Governing Law. This Agreement shall be governed by and construed according to the laws of the State of New York and the federal laws of the United States applicable herein.

12. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument.

*****[Signature Page Follows]

STAGWELL INC.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year set forth first above. By:

Name: Authorized Signatory

Title:

STAGWELL INC.

By:

Name: Authorized Signatory

Title:

GRANTEE:

By: /s/ Peter McElligott

Name: Peter McElligott

Title: General Counsel

Number of Restricted

Stock Units Granted Hereby: [.]

Exhibit 10.15.2

STAGWELL INC.

FORM OF TIME-BASED RESTRICTED STOCK UNIT GRANT AGREEMENT

By: Stagwell Inc., a Delaware corporation (the “/s/ Frank Lanuto Company

Name: Frank Lanuto

Title: Chief Financial Officer”) has granted to the Recipient (the “Grantee”) named in the Notice of Grant (the “Grant Notice”) attached to this Restricted Stock Unit Grant Agreement (the “Agreement”) the Restricted Stock Unit Award, as defined below. The Restricted Stock Unit Award has been granted pursuant to the Stagwell Inc. Second Amended and Restated 2016 Stock Incentive Plan (the “Plan”). Except as otherwise expressly set forth herein, the capitalized terms used in this Agreement shall have the same definitions set forth in the Plan. By signing the Grant Notice, the Grantee: (a) acknowledges receipt of and represents that the Grantee has read and is familiar with the Grant Notice, the Agreement, the Plan and the prospectus for the Plan and (b) accepts the Restricted Stock Unit Award subject to all of the terms and conditions of the Grant Notice, the Agreement and the Plan.

1. Grant of Restricted Stock Units.

/s/ Mark Penn1.1 The Company hereby grants to the Grantee, as of the date set forth in the Grant Notice (the “Grant Date”), on the terms and conditions set forth in the Grant Notice, the Agreement and the Plan, the number of Restricted Stock Units set forth in the Grant Notice (the

"Restricted Stock Unit Award"). Each Restricted Stock Unit shall represent the right to receive one issued and outstanding share of the Class A common stock of the Company, but shall be subject to the restrictions, conditions and other terms set forth in this Agreement and in the Plan.

Mark Penn 1.2 The Grantee's rights with respect to the Restricted Stock Units shall not vest and shall remain forfeitable at all times prior to the Vesting Date, subject to the occurrence of a Permitted Acceleration Event (each as defined below).

1.3 This Agreement shall be construed in accordance with, and subject to, the terms of the Plan (the provisions of which are incorporated herein by reference).

2. Rights of Grantee.

With respect to the Restricted Stock Units awarded hereunder, the Grantee shall have no rights as a stockholder of the Company (including the right to vote or receive dividends) with respect to any shares of Class A common stock of the Company until the date of issuance to the Grantee of a certificate, electronic book entry, or other evidence of ownership representing such shares of Class A common stock in settlement thereof. In addition, dividend equivalents will not be paid or payable with respect to the Restricted Stock Units, except as provided in Section 5 of this Agreement. Prior to the Vesting Date, the Grantee shall not be entitled to transfer, sell, pledge, hypothecate or assign any portion of the Restricted Stock Units or the shares underlying such Restricted Stock Units (collectively, the **"Transfer Restrictions"**).

3. Vesting; Lapse of Restrictions.

3.1 The Restricted Stock Unit Award shall vest, and the Transfer Restrictions with respect to the shares underlying the Restricted Stock Unit Award shall lapse, on the first (1st) anniversary of the Grant Date (the **"Vesting Date"**), provided the Grantee continues to be serving as an employee of the Company until such Vesting Date; provided, further, that the Restricted Stock Unit Award shall vest, and the Transfer Restrictions shall lapse, if sooner, on the date of any one

Exhibit 10.15.2

of the following **"Permitted Acceleration Events"**: (i) the Grantee's employment is terminated by the Company other than for Cause or by the Grantee for Good Reason (each as defined herein) or (ii) Grantee's death or Disability (as defined herein).

3.2 Other than due to a Permitted Acceleration Event, notwithstanding anything in this Agreement to the contrary, upon the resignation or termination of Grantee as an employee of the Company, all Restricted Stock Units that have not vested, and in respect of which the Transfer Restrictions have not lapsed, in accordance with Section 3.1 hereof shall be forfeited and automatically transferred to and reacquired by the Company at no cost to the Company, and neither the Grantee nor any heirs, executors, administrators or successors of such Grantee shall thereafter have any right or interest in such Restricted Stock Units or the shares of Class A common stock underlying such Restricted Stock Units.

4. Delivery of Shares.

4.1 Certificates (or an electronic "book entry") representing those shares of Class A common stock issued in settlement of Restricted Stock Units in respect of which the Transfer Restrictions have lapsed pursuant to Section 3 hereof shall be delivered to the Grantee as soon as practicable following the Vesting Date.

4.2 The Grantee, or the executors or administrators of the Grantee's estate, as the case may be, may receive, hold, sell or otherwise dispose of those shares of Class A common stock delivered to them pursuant to Section 4.1 free and clear of the Transfer Restrictions, but subject to compliance with all federal and state securities laws.

5. **Dividends.** All dividend equivalents declared and paid by the Company on Restricted Stock Units shall be deferred until the lapsing of the Transfer Restrictions pursuant to Section 3. The deferred dividend equivalents shall be held by the Company for the account of the Grantee until the Vesting Date, at which time the dividend equivalents, with no interest thereon, shall be paid to the Grantee. Upon the forfeiture of the Restricted Stock Units pursuant to Section 3, any deferred dividend equivalents shall be forfeited to the Company.

6. No Right to Continued Retention; No Right to Additional Grants. Nothing in this Agreement or the Plan shall be interpreted or construed to confer upon the Grantee any right with respect to continuance as an employee of the Company or any of its affiliates. Nothing in this Agreement or the Plan shall be interpreted or construed to confer upon the Grantee any right to receive additional grants of restricted stock units or other types of equity grants from the Company or any of its affiliates.

7. Adjustments Upon Change in Capitalization. If, by operation of Section 10 of the Plan, the Grantee shall be entitled to new, additional or different shares of stock or securities of the Company or any successor Company or entity or other property, such new, additional or different shares or other property shall thereupon be subject to all of the conditions and restrictions which were applicable to the Restricted Stock Units immediately prior to the event and/or transaction that gave rise to the operation of Section 10 of the Plan.

Exhibit 10.15.2

[8. Signature Page to SAR Modification of Agreement] Except as set forth in the Plan and herein, this Agreement may be modified, amended, suspended or terminated, and any terms or conditions may be waived, but only by a written instrument executed by the parties hereto, provided that the Company may amend this Agreement to correct (i) any errors or (ii) any inconsistencies with the approval of the Restricted Stock Unit Award by the Committee or its delegate.

9. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force and effect in accordance with their terms.

10. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York and the federal laws of the United States applicable herein, except to the extent that the application of such laws would result in a violation of The Delaware General Corporation Law.

11. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's heirs, executors, administrators and successors. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be binding upon the Grantee's heirs, executors, administrators and successors.

12. Tax Withholding. In addition to the rights of the Company pursuant to Section 14(a) of the Plan, upon the vesting of shares of Restricted Stock granted under this Agreement or otherwise, the Company may withhold (or sell on Grantee's behalf) a number of shares of Class A common stock having a Fair Market Value on the vesting date sufficient to satisfy the federal, state and local withholding tax requirements, if any, attributable to such vesting, but not greater than such withholding obligations.

13. Certain Definitions.

- a. **"Cause"** shall have the meaning set forth in the Grantee's employment agreement with the Company. If such term is not defined in the Grantee's employment agreement, then Cause means the Grantee's termination by reason of (i) his/her continued or willful failure substantially to perform his/her duties for the Company, (ii) his/her willful and serious misconduct in connection with the performance of his/her duties for the Company, (iii) the Grantee's conviction of, or entering a plea of guilty to, a crime that constitutes a felony or a crime involving moral turpitude, (iv) his/her fraudulent or dishonest conduct or (v) his/her material breach of any of his/her obligations or covenants under any written policies of the Company or any written agreement between such Grantee and the Company.
- a. **"Committee"** means the Human Resources & Compensation Committee of the Board of Directors of the Company.
- a. **"Company"** as used in this Agreement with reference to Grantee's employment or service shall include the Company and its subsidiaries.

- a. **"Disability"** shall have the meaning set forth in the Grantee's employment agreement with the Company. If such term is not defined in the Grantee's employment agreement, then Disability means the inability of the Grantee to have performed the Grantee's material duties due to a physical or mental injury, infirmity or incapacity for one hundred eighty (180) consecutive days (including weekends and holidays) in any 365-day period, as determined by the Company in its reasonable discretion.
- a. **"Good Reason"** shall have the meaning set forth in the Grantee's employment agreement with the Company, and if not so defined shall be inapplicable.

14. Data Privacy.

- a. The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Grant Notice and this Agreement by and among, as applicable, the Grantee's employer, the Company and any related entity for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.
- b. The Grantee understands that the Company and the Grantee's employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").
- c. The Grantee understands that Data will be transferred to any third party assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the Grantee's country, or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the Company and any other possible recipients which may assist the Company currently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusal or withdrawal of consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

* * *

Exhibit 21

Subsidiaries of the Registrant

Entity	Jurisdiction of Organization	Organizational Jurisdiction
72 Consulting LLC	Delaware	
72andFootball LLC	Louisiana	
72andSunny Midco LLC NL B.V.	Delaware	Netherlands
72andSunny Partners, LLC	Delaware	
72andSunny NL B.V. Pte. Ltd.	Republic of Singapore	
72andSunny Pty Ltd.	The Netherlands	
A-Alliance LLC	Australia	
Ltd	Delaware	
7thfl LLC	New South Wales	
7thfl LP	Delaware	
7thfl, LTD	Ontario	
939GP Inc.	United Kingdom	
A-Alliance LLC	Ontario	
A-Alliance UK Ltd	Delaware	
Allegory LLC	United Kingdom	
Allison & Partners ACE Content LLC	Delaware	
Allison & Partners K.K.	Delaware	
Ace Dev Fund LLC	Delaware	
Activista LLC	Delaware	
Advanced Media Platforms LLC	Delaware	
Ahteed LLC	Delaware	
Allegory LLC	Delaware	
Allison & Partners (Thailand) Limited	Bangkok	
Allison & Partners Holdings (Thailand) Limited	Bangkok	
Allison Kommunikatons & Partners LLC	Delaware	
Allison and Partners K.K.	Tokyo	
Allison Kommunikation GmbH	Berlin	
Allison Partners Limited	Wanchai	
Allison PR (Beijing) Limited	Beijing Ltd	
Allison+Partners Singapore	Allison +	
Allison + Pte Ltd	Republic of Singapore	
Allison+Partners UK Limited	United Kingdom	
Anomaly (Shanghai) Advertising Co., Ltd.	Shanghai	
Anomaly B.V.	Netherlands	
Anomaly GmbH	Berlin	
Anomaly Inc.	Ontario	
Anomaly London LLP	United Kingdom	
Anomaly Partners LA LLC	Delaware	
Anomaly Partners LLC	Delaware	
Anomaly UK Limited	United Kingdom	
Another Anomaly NY LLC	Delaware	
Apollo Program II, Inc.	Delaware	
Apollo Program LLC	Delaware	

Ares Media, LLC
AROUND AR LLC
Entity

Anomaly Partners LLC
Anomaly (Shanghai) Advertising Co Ltd.
Berbenno sp. zoo
Anomaly UK Limited
Berbenno Blue Wall Mail LLC
BNG Business Services sp.zoo

BNG MEA FZ-LLC
Brand New Galaxy USA Holdings Inc Inc.
Content26 Brand Performance Network LLC
Bruce Mau Design (USA) LLC
Bruce Mau Design Inc.
Business Traveler LLC
Code and Theory (SF) LLC
Code and Theory LLC
Code and Theory London Limited
Code and Theory South America LLC
Colle & McVoy LLC
Collect Understand & Engage LLC
Common (Shanghai) Market Research Co., Ltd.
Concentric Health Experience Limited
Concentric Partners LLC

Content Management Corporation
Content Management Corporation
Content26, LLC
Core Stagwell LLC
CP+B - Crispin Porter & Bogusky Brasil Publicidade e Participacao Ltda
Creative Optimization LLC
Crispin LLC
Crispin Porter & Bogusky (Hong Kong) Limited
Crispin Porter & Bogusky LLC
Crispin Porter & Bogusky Brasil Publicidade e Participacao Ltda
Crispin Porter & Bogusky (Hong Kong) Limited
Crispin Porter & Bogusky, Limited
Ltd
Doner Limited
Doner Partners LLC

Doner Partners Network LLC
Doner Partners Network LP

Delaware
Delaware
Delaware
Japan
Thailand
Thailand
Germany
Hong Kong
China
Singapore
United Kingdom
The Netherlands
Germany
Canada
Canada
Delaware
Jurisdiction of Organization
Ontic Jurisdiction
Delaware
China
Poland
Delaware
United Kingdom
Poland
UAE
Washington
Washington Delaware
Delaware
Ontario
Delaware
California
New York
United Kingdom
Delaware
Delaware
Delaware
Shanghai
United Kingdom
United Kingdom
Delaware
Delaware
Ontario
Washington
Delaware
Sao Paulo
Delaware
Texas
Hong Kong
Delaware
United Kingdom
United Kingdom
Brazil
Hong Kong
United Kingdom
United Kingdom
Delaware
Delaware
Ontario

DonerNorth LP	Ontario
Dyversity Communications Inc.	Ontario
Elixir Health Experience LLC	Delaware
Emerald Research Group LLC	Delaware
eSubstance Limited	United Kingdom
Expecting Productions, LLC	California
Forsman & Bodenfors AB	Sweden
Forsman & Bodenfors Inhouse AB	United Kingdom
Canada LP Forsman & Bodenfors LLC	Sweden
Forsman & Bodenfors Pte Ltd	Sweden
Forsman & Bodenfors Studio AB	Delaware
Forsman & Bodenfors Daily AB	Singapore
ForwardPMX Group LLC	Sweden
Canada SEC	Sweden
	Delaware
Gale Creative Agency Pvt Ltd	India
Gale Partners Inc.	Canada
Gale Partners LLC	Delaware
	Canada
Gale Partners LP	Singapore
Gale Pte Ltd	Delaware
Grayson Agency Group LLC	Ontario

Grayson Forsman & Bodenfors Inhouse AB	Sweden
Forsman & Bodenfors LLC	Delaware
Forsman & Bodenfors Pte. Ltd.	Republic of Singapore
Entity	Jurisdiction of Organization
Forward 3D	Egypt
Forward 3D Brazil Marketing Digital LTDA	Sao Paulo
Forward 3D BV	Netherlands
Forward 3D for Advertisement Saudi Limited	Saudi Arabia
Forward 3D FZ LLC	UAE
Forward 3D Group Limited	United Kingdom
Forward 3D Holdings Limited	United Kingdom
Forward 3D Hong Kong Limited	Hong Kong
Forward 3D Japan KK	Tokyo
Forward 3D Korea Co. Ltd	Republic of Korea
Forward 3D Limited	United Kingdom
Forward 3D Limited (Spain)	Spain
Forward 3D Ltd	Paris
Forward 3D Ltd (France)	Paris
Forward 3D Ltd (Germany)	Hamburg
Forward 3D Ltd (Taiwan)	Taiwan
Forward 3D Singapore PTE	Republic of Singapore
Forward 3D, Inc.	Delaware
Forward Internet Group (Shanghai)	Shanghai
Forward3D DMCC	UAE
Forward3D for Marketing Consultancy	Egypt
ForwardPMX Group LLC	Delaware
Gale Creative Agency Private Limited	Bannalore

Travel Content LLC
Truelogic Software LLC
Unique Influence HPR Partners, LLC

Delaware
Delaware
Delaware

Hudson and Sunset Media, LLC
Hunter Public Relations UK Limited
In the Company of Huskies Limited
Ink Do Brasil Consultancy & Marketing Services LTD
Ink Publishing (HK) LTD
Entity
Ink Publishing (Holdings) Limited
Ink Publishing (PTE) Limited
Ink Publishing Advertising (Shanghai Co LTD)
Ink Publishing Corporation
Instrument LLC
Instrument Wizard Wizard LLC
IR Oldco LLC
Jasper Advisors Group LLC
Jemini Consultancy LLC
KBP Holdings LLC
KBS (Hong Kong) Limited
KBS (Shanghai) Advertising Co., Ltd.
KBS+P Ventures LLC
Kenna Communications LP
KETTLE SOLUTIONS, LLC
KIS Information Services SRL
Kwittken & Company Limited
KWT Global LLC
KWT Global Ltd.
Laird + Partners New York LLC
Laurie, Foard & Wheeler Limited
Laurie, Foard + Wheeler LLC
Left Field Labs, LLC
Legend PR Partners LLC
Lissted Limited
LLC Locaria Ukraine
Locaria Canada Inc.
Locaria Group LLC
Locaria Limited
Locaria Ltd (Spain)
Locaria NL B.V.
Locaria SRL de CV
Maru Group Canada Inc.
Maru Group Finance Limited
Maru Group Holdings Limited
Maru Group Inc.
Maru Group Limited

Delaware
United Kingdom
Ireland
Sao Paulo
Hong Kong
Jurisdiction of Organization
United Kingdom
Republic of Singapore
Shanghai
Delaware
Delaware
Oregon
Delaware
Delaware
Oregon
Delaware
Hong Kong
Shanghai
Delaware
Ontario
New York
Barbados
United Kingdom
Delaware
United Kingdom
Delaware
Hong Kong
Delaware
California
Delaware
United Kingdom
Kyiv
Ontario
Delaware
United Kingdom
Barcelona
Netherlands
Mexico
Ontario
United Kingdom
United Kingdom
Delaware
United Kingdom

Maru Group LLC	Delaware
Maru Group US Inc.	Delaware
Maru/Blue Canada Inc.	Federally Chartered
Maru/Blue UK Limited	United Kingdom
Maru/Blue US LLC	Delaware
Maru/EDR Canada Inc.	Federally Chartered
Maru/edr Limited	United Kingdom
Entity	Jurisdiction of Organization
Maru/EDR US LLC	Delaware
Maru/TU Cuentas LLC	Delaware
Maru/Usurv Limited	United Kingdom
Maxxcom (Barbados) Inc.	Barbados
MAXXCOM (USA) HOLDINGS LLC	Delaware
MAXXCOM LLC	Delaware
MDC Acquisition LLC	Delaware
MDC CORPORATE (US) LLC	Delaware
MDC Partners UK Holdings Limited	United Kingdom
MDC Partners Worldwide LLC	Delaware
Mediacurrent Interactive Solutions, LLC	Georgia
MG Latin America SRL	Argentina
Midas Corporate Holdco (US) Inc.	Delaware
Mono Advertising, LLC	Delaware
Movers and Shakers LLC	Nevada
MRB4USA HOLDINGS LLC	Delaware
MRB4USA LLC	Delaware
Multi-View Holdings Inc.	Delaware
Multi-View, Inc.	Texas
National Research Group, Inc.	California
New Team LLC	Delaware
Nine One Six LLC	Delaware
Northstar Research GP LLC	Delaware
Northstar Research Holdings USA LP	Delaware
Northstar Research Partners (UK) Limited	United Kingdom
Northstar Research Partners (USA) LLC	Delaware
Northstar Research Partners Inc. (ON)	Ontario
OneChocolate Communications Limited	United Kingdom
OneChocolate Communications LLC	Delaware
Pathfinder23 Berbenno sp. zoo	Poland
Pep Group Holdings BV	Netherlands
PMX Agency LLC	Delaware
Polar Bear Development SRL	Argentina
Pt. Northstar Business Consulting Partners	Republic of Indonesia
Ramenu S.A.	Uruguay

Redscout LLC	Delaware
Repdef Holdings LLC	Delaware
Rhythm Interactive LLC	Delaware
Robonauts Pictures sp.zoo	Poland
Scout Marketing LLC	Delaware
Search Agency Performance Marketing India Private Limited	Bangalore
SKDK Profits Interest LLC	Delaware
SKDKnickerbocker LLC	Delaware
Sloane & Company LLC	Delaware
<u>Entity</u>	<u>Jurisdiction of Organization</u>
Source Marketing LLC	New York
Spacecamp sp.zoo	Poland
Stagwell Agency Holdings LLC	Delaware
Stagwell APAC Pte. Ltd.	Republic of Singapore
Stagwell Canada GP Inc.	Ontario
Stagwell Creative Content & Media LLC	Delaware
Stagwell Denmark ApS	Copenhagen
Stagwell Digital Products LLC	Delaware
Stagwell Global LLC	Delaware
Stagwell Holdco Canada Inc.	Ontario
Stagwell Inc.	Delaware
Stagwell Italy S.R.L.	Milan
Stagwell Market Research LLC	Delaware
Stagwell Marketing Cloud LLC	Delaware
Stagwell Marketing Communications LLC	Delaware
Stagwell Marketing Group Holdings LLC	Delaware
Stagwell Marketing Group LLC	Delaware
Stagwell Marketing Malaysia Sdn Bhd	Malaysia
Stagwell Media (NRG) UK Limited	United Kingdom
Stagwell Media LP	Delaware
STAGWELL MEDIA MANAGEMENT HOLDCO LLC	Delaware
Stagwell Performance Marketing & Digital Transformation LLC	Delaware
Stagwell Performance Marketing Inc.	Delaware
Stagwell Performance Marketing Management LLC	Delaware
Stagwell QR Code Platform LLC	Delaware
Stagwell Team P&G LLC	Delaware
Stagwell Technologies, Inc.	Delaware
Storyline Strategies LLC	Delaware
Studio Cypher Limited	United Kingdom
Sundae Collective LLC	Delaware
Syngro Limited	United Kingdom
TargetCast LLC	Delaware
Targeted Communications Global LLC	Delaware

Targeted Holdings LLC	Delaware
Targeted Victory, LLC	Delaware
TEAM LP	Ontario
The Arsenal LLC	Delaware
The People Platform LLC	Delaware
The Search Agency Corporation	Ontario
Tinsel Experiential Design LLC	Delaware
TMA Acquisition LLC	Delaware
Trade X Partners LLC	Delaware
Trailer Productions, LLC	California
<u>Entity</u>	<u>Jurisdiction of Organization</u> <u>otic Jurisdiction</u>
Travel Content Limited	United Kingdom
Travel Content LLC	Delaware
Truelogic Software LLC	Delaware
TSGPM IMGT Incentive LLC	Delaware
Veritas Communications Inc.	Ontario
Vitro Partners LLC	Delaware
VitroRobertson LLC	Delaware
Walker Brook Capital LLC	Delaware
Wolfgang, LLC	Delaware
Wonder Cave LLC	Delaware
Y Media Labs LLC	Delaware
Y Media Labs Private Limited	Bangalore
Yamamoto LLC	Delaware
Yeah Totally! LLC	Delaware
Zyman Group, LLC	Delaware

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Form S-8's (Nos. 333-226895, 333-212261, 333-176059, 333-265600, and 333-265600) 333-270335) and Form S-3 (No. 333-260202) of our reports report dated March 6, 2023 (March 11, 2024 as to the effects of the restatement discussed in Note 21), relating to the financial statements and the related notes and schedules listed in the Index at Item 15 of Stagwell Inc. (the "Company") and our report dated March 6, 2023 relating to the effectiveness of the Company's internal control over financial reporting (which report expresses an adverse opinion on the effectiveness of the Company's internal control over financial reporting because of material weaknesses), appearing in this Annual Report on Form 10-K for the year ended December 31, 2022.

/s/ Deloitte & Touche LLP

New York, NY

March 6, 2023 11, 2024

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-270335, 333-265600, 333-226895, 333-212261, and 333-176059) and Form S-3 (No. 333-260202) of Stagwell Inc. of our report dated March 11, 2024 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
New York, New York
March 11, 2024

Exhibit 31.1

Certification Pursuant to Rules 13a-14(a) and 15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Mark Penn, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended ~~December 31, 2022~~ December 31, 2023 of Stagwell Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 6, 2023 March 11, 2024

/s/ MARK PENN

By: Mark Penn
Title: Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification Pursuant to Rules 13a-14(a) and 15d-14(a) as Adopted Pursuant to Section
302 of the Sarbanes-Oxley Act of 2002

I, Frank Lanuto, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2022 December 31, 2023 of Stagwell Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: ~~March 6, 2023~~ March 11, 2024

/s/ FRANK LANUTO

By: Frank Lanuto
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the annual report of Stagwell Inc. (the "Company") on Form 10-K for the year ended ~~December 31, 2022~~ December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Penn, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: ~~March 6, 2023~~ March 11, 2024

/s/ MARK PENN

By: Mark Penn
Title: Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the annual report of Stagwell Inc. (the "Company") on Form 10-K for the year ended ~~December 31, 2022~~ December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank Lanuto, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 6, 2023 March 11, 2024

/s/ FRANK LANUTO

By: Frank Lanuto
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 97

STAGWELL INC.
EXECUTIVE COMPENSATION CLAWBACK POLICY

1. **Purpose.** The purpose of this Policy is to set forth the circumstances under which Executive Officers of the Company will be required to repay or return certain Excess Awarded Compensation to members of the Company Group. The Board of Directors of the Company Company has adopted this Policy in accordance with the Clawback Rule and the Listing Rule and it is intended to comply with, and shall be interpreted to be consistent with, each of the foregoing. The Company may require each Executive Officer to sign and return to the Company an Acknowledgement Form, substantially in the form attached hereto as Exhibit A, pursuant to which such Executive Officer will agree to be bound by the terms of, and to comply with, this Policy.
2. **Definitions.** As used in this Policy, the following words and phrases have the meanings specified below:
 - a. **"Accounting Restatement"** means an accounting restatement (i) due to the material noncompliance of the Company with any financial reporting requirement under applicable securities laws, including any required accounting restatement to correct an error in previously issued financial statements of the Company that is material to the previously issued financial statements of the Company, or (ii) that corrects an error that is not material to previously issued financial statements of the Company, but would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
 - b. **"Board"** means the Board of Directors of the Company.
 - c. **"Clawback Rule"** means Section 10D of the Exchange Act and the rules and regulations promulgated thereunder, each as may be amended from time to time.
 - d. **"Commission"** means the U.S. Securities and Exchange Commission.
 - e. **"Committee"** means the Compensation Committee of the Board, or if so designated by the Board, any other committee of the Board (or group of Board members) consisting entirely of independent directors, in which case references herein to the Committee shall be deemed to be references to such committee of the Board.
 - f. **"Company"** means Stagwell Inc., a Delaware corporation.
 - g. **"Company Group"** means the Company, together with each of its direct and indirect parents and subsidiaries.
 - h. **"Covered Executive Officer"** means, with respect to any Performance-Based Compensation, each current and former Executive Officer who serves, or served, as an Executive Officer at any time during the performance period in respect of which such Performance-Based Compensation is Received by such Executive Officer.
 - i. **"Covered Period"** means, with respect to any Accounting Restatement, the three (3) completed Fiscal Years of the Company immediately preceding the Restatement Date and any Transition Period of less than nine (9) months within or immediately following those three (3) completed Fiscal Years.
 - j. **"Effective Date"** means November 1, 2023
 - k. **"Excess Awarded Compensation"** means, with respect to a Covered Executive Officer, the amount of Performance-Based Compensation Received by the Covered Executive Officer (after the Covered Executive Officer became an Executive Officer) during a Covered Period that exceeds the amount of

Performance-Based Compensation that the Covered Executive Officer would have Received had it been determined based on the Accounting Restatement, and computed without regard to any taxes paid by the Covered Executive; provided that, for Performance-Based Compensation that is based on or otherwise derived from the Company's stock price or total shareholder return where the amount of Excess Awarded Compensation is not subject to mathematical recalculation directly from information in the applicable Accounting Restatement, the amount that would have been Received shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return, as applicable, upon which the Performance-Based Compensation was Received (in which case, the Company shall maintain documentation of such determination of that reasonable estimate and provide such documentation to the Exchange). Notwithstanding the foregoing, compensation amounts shall only be considered "Excess Awarded Compensation" for purposes of the Policy if such compensation is Received (i) while the Company has a class of securities listed on a national securities exchange or a national securities association and (ii) on or after October 2, 2023.

- l. **"Exchange"** means The Nasdaq Stock Market.
- m. **"Exchange Act"** means the U.S. Securities Exchange Act of 1934, as amended.
- n. **"Executive Officer"** means the Company's principal executive officer, president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policymaking functions for the Company, including any employee or service provider of the Company who is subject to Section 16 of the Exchange Act, and such other officers as designated by the Board or the Committee. Individuals who serve in such roles or perform such functions for the Company's parent(s) or subsidiaries shall be deemed executive officers of the Company if they perform such policy making functions for the Company.
- o. **"Financial Reporting Measure"** means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any other measure that is derived wholly or in part from such measure (in each case, regardless of whether such measure is presented within the Company's financial statements or included in a filing with the Commission).
- p. **"Fiscal Year"** means the Company's fiscal year; provided that a Transition Period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine (9) to twelve (12) months will be deemed a completed fiscal year.
- q. **"Listing Rule"** means Listing Rule 5608, as promulgated by The Nasdaq Stock Market LLC, as such rule may be amended from time to time.
- r. **"Performance-Based Compensation"** means any compensation (whether cash or equity-based) that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure, and may include, but shall not be limited to, performance bonuses, commissions, or long-term incentive awards such as stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance stock units or other equity-based awards,

whether or not granted under the Company's equity incentive plans. For the avoidance of doubt, Performance-Based Compensation does not include any compensation to the extent that it is (i) granted, earned, or vested exclusively upon completion of a specified employment period, without any performance condition, (ii) discretionary, or (iii) based on subjective goals or goals that do not constitute Financial Reporting Measures.

- s. **"Policy"** means this Stagwell Inc. Executive Compensation Clawback Policy, as may be amended from time to time.
- t. **"Received"** means, with respect to Performance-Based Compensation, the date of deemed receipt, and for purposes of the foregoing, Performance-Based Compensation shall be deemed Received in the Fiscal Year during which the applicable Financial Reporting Measure is attained, even if payment or grant of the Performance-Based Compensation occurs after the end of that period.
- u. **"Restatement Date"** means the earlier to occur of (i) the date that the Board, a committee of the Board, or an officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the

Company is required to prepare an Accounting Restatement or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

- v. **"Transition Period"** means any transition period that results from a change in the Company's Fiscal Year within or immediately following the three (3) completed Fiscal Years immediately preceding the Restatement Date.

3. **Administration.** This Policy shall be administered by the Committee. The Committee has full authority to interpret, construe and enforce this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. Any determinations made by the Committee shall be final, conclusive and binding on all interested parties and need not be uniform with respect to each individual covered by this Policy. Any members of the Committee, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law or Company policy.

4. **Recovery of Excess Awarded Compensation.**

- a. **Recovery of Excess Awarded Compensation.** In the event of an Accounting Restatement, the Committee shall reasonably promptly (and in all events no later than ninety (90) days after the date the Company files its Accounting Restatement with the U.S. Securities and Exchange Commission) determine the amount of any Excess Awarded Compensation for each Covered Executive Officer in connection with such Accounting Restatement and shall promptly thereafter provide each Covered Executive Officer with a written notice identifying the amount of Excess Awarded Compensation and a demand for repayment or return, as applicable.
- b. **Forms of Recovery.** The Committee shall determine, in its sole discretion, and in a manner that effectuates the purpose of the Clawback Rule and the Listing Rule, the method(s) for recovering any Excess Awarded Compensation hereunder in accordance with Section 4(a) above, which may include: (i) requiring cash reimbursement; (ii) seeking recovery or forfeiture of any gain realized on the

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vesting, exercise, settlement, sale, transfer or other disposition of any equity-based awards; (iii) offsetting the amount to be recouped from any compensation otherwise owed by the Company to the applicable Covered Executive Officer; (iv) cancelling outstanding vested or unvested equity awards; or (v) taking any other remedial and recovery action permitted by law, as determined by the Committee. Any reduction, cancellation or forfeiture of any compensation shall be done in compliance with Section 409A of the Internal Revenue Code of 1986, as amended. For the avoidance of doubt, except as set forth in Section 4(e) below, in no event may the Company Group accept an amount that is less than the amount of Excess Awarded Compensation in satisfaction of a Covered Executive Officer's obligations hereunder.

- c. **Covered Executive Officer's Failure to Repay.** If a Covered Executive Officer fails to repay all Excess Awarded Compensation to the Company Group when due (as determined in accordance with Section 4(b) above), the Company shall, or shall cause one or more other members of the Company Group to, take all actions reasonable and appropriate to recover such Excess Awarded Compensation from the applicable Covered Executive Officer (including suing for repayment and/or enforcing such Covered Executive Officer's obligation to make payment through the reduction or cancellation of outstanding and future compensation). The applicable Covered Executive Officer shall be required to reimburse the Company Group for any and all expenses reasonably incurred (including legal fees) by the Company Group in recovering such Excess Awarded Compensation in accordance with the immediately preceding sentence.
- d. **No Indemnification.** No member of the Company Group shall be permitted to indemnify any Covered Executive Officer against (i) the loss of any Excess Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company's enforcement of its rights under this Policy (including, for the avoidance of doubt, any advancement of costs related to such enforcement). Further, no member of the Company Group shall enter into any agreement that exempts any Performance-Based Compensation from the application of this Policy or that waives the Company's right to recovery of any Excess Awarded Compensation and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date).
- e. **Exceptions to Recovery.** Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section 4(b) above if the following conditions are met and the Committee determines that recovery would be impracticable:
 - i. The direct expenses paid to a third party to assist in enforcing the Policy against a Covered Executive Officer would exceed the amount to be recovered, after the Company has made a reasonable attempt to recover the applicable Excess Awarded Compensation, and the Committee has documented such attempt(s) and provided such documentation to the Exchange;

- ii. Recovery would violate the home country law of the Company, where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Excess Awarded Compensation based on violation of home country law,

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the Company has obtained an opinion of home country counsel, acceptable to the Exchange, that recovery would result in such a violation and a copy of the opinion is provided to the Exchange; or

- iii. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13), and the regulations thereunder, or 26 U.S.C. 411(a), and the regulations thereunder.

- f. **Compensation Deficit.** If, in the event of an Accounting Restatement, the Committee determines that the amount of Performance-Based Compensation Received by a Covered Executive Officer during a Covered Period is less than the amount of Performance-Based Compensation that the Covered Executive Officer would have Received had it been determined based on the Accounting Restatement, the Committee shall, in its discretion, and consistent with the provisions in this Policy for recovering Excess Awarded Compensation, pay such Covered Executive Officer the difference between the amount of Performance-Based Compensation Received and the amount of Performance-Based Compensation that the Covered Executive Officer would have Received had it been determined based on the Accounting Restatement.

- 5. **Amendment; Termination.** The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary, including as and when it determines that it is legally required by any federal securities laws (including the Clawback Rule), Commission rule or the Listing Rule. The Board may terminate this Policy at any time in its discretion. Notwithstanding anything in this Section 5 to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any United States securities laws (including the Clawback Rule), Commission rule or the Listing Rule. This Policy automatically shall terminate upon a "Change in Control" (as defined in the Company's Second Amended and Restated 2016 Stock Incentive Plan, which results in the Company's securities no longer being traded on an established securities exchange).
- 6. **Inducement of Executive Officers.** The Committee may require that any employment agreement, equity award agreement, or any other agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require an Executive Officer to agree to abide by the terms of this Policy.
- 7. **Filing Requirements.** The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the U.S. federal securities laws, including disclosures required by Commission filings.
- 8. **Non-Exclusivity.** Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company Group under applicable law, regulation or rule or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company Group; *provided, however*, that any amounts recouped under any other policy that are subject to clawback under this Policy shall be considered recovered by the Company Group for purposes of this Policy and vice versa.
- 9. **Effective Date.** This Policy shall be effective as of the Effective Date.

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- 10. **Successors.** This Policy shall be binding and enforceable against all Covered Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.
- 11. **Governing Law; Venue.** This Policy and all rights and obligations hereunder are governed by and construed in accordance with the internal laws of the State of Delaware, excluding any choice of law rules or principles that may direct the application of the laws of another jurisdiction.

All actions arising out of or relating to this Policy shall be heard and determined exclusively in the Court of Chancery of the State of Delaware or, if such court declines to exercise jurisdiction or if subject matter jurisdiction over the matter that is the subject of any such legal action or proceeding is vested exclusively in the U.S. federal courts, the U.S. District Court for the District of Delaware.

Exhibit A

STAGWELL INC.EXECUTIVE COMPENSATION CLAWBACK POLICY

ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Stagwell Inc. Executive Compensation Clawback Policy (as may be amended, restated, supplemented or otherwise modified from time to time, the "**Policy**"). Capitalized terms used but not otherwise defined in this Acknowledgement Form (this "**Acknowledgement Form**") shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company Group. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including by returning any Excess Awarded Compensation (as defined in the Policy) to the Company Group to the extent required by, and in a manner permitted by, the Policy. For the avoidance of doubt, failure to reference the Policy in the award of Performance-Based Compensation to an Executive Officer shall not preclude the application of this Policy.

In the event of any inconsistency between the Policy and the terms of any employment agreement to which the undersigned is a party, or the terms of any compensation plan, program or agreement under which any compensation has been granted, awarded, earned or paid to or by the undersigned, the terms of the Policy shall govern.

Signature

Print Name

Date

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