

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

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2024

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: 001-38352



ADT Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction  
of incorporation or organization)

47-4116383

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

1501 Yamato Road  
Boca Raton, Florida 33431  
(561) 988-3600

(Address of principal executive offices, zip code, registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ADT	New York Stock Exchange

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 emerging growth company. See 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of April 17, 2024, there were 855,629,403 shares outstanding of the registrant's common stock, \$0.01 par value per share, and 54,744,525 shares outstanding of the registrant's Class B common stock, \$0.01 par value per share.

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## PART I. FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS.

**ADT INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**  
**(in thousands, except share and per share data)**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 4,041	\$ 14,621
Restricted cash and restricted cash equivalents	114,655	115,329
Accounts receivable, net of allowance for credit losses of \$ 66,927 and \$ 53,229 , respectively	387,498	390,471
Inventories, net	209,765	230,108
Prepaid expenses and other current assets	285,035	254,165
Total current assets	1,000,994	1,004,694
Property and equipment, net	261,275	283,170
Subscriber system assets, net	3,011,419	3,005,936
Intangible assets, net	4,843,986	4,877,493
Goodwill	4,903,899	4,903,899
Deferred subscriber acquisition costs, net	1,210,302	1,175,904
Other assets	712,308	712,998
<b>Total assets</b>	<b>\$ 15,944,183</b>	<b>\$ 15,964,094</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Current maturities of long-term debt	\$ 322,070	\$ 320,612
Accounts payable	260,137	293,883
Deferred revenue	252,080	264,398
Accrued expenses and other current liabilities	574,779	601,315
Total current liabilities	1,409,066	1,480,208
Long-term debt	7,566,878	7,523,349
Deferred subscriber acquisition revenue	1,975,886	1,914,954
Deferred tax liabilities	1,039,113	1,027,189
Other liabilities	217,459	229,748
<b>Total liabilities</b>	<b>12,208,402</b>	<b>12,175,448</b>
Commitments and contingencies (See Note 12)		
Stockholders' equity:		
Preferred stock—authorized 1,000,000 shares of \$ 0.01 par value; zero issued and outstanding as of March 31, 2024 and December 31, 2023	—	—
Common stock—authorized 3,999,000,000 shares of \$ 0.01 par value; issued and outstanding shares of 855,629,403 and 867,432,337 as of March 31, 2024 and December 31, 2023, respectively	8,556	8,674
Class B common stock—authorized 100,000,000 shares of \$ 0.01 par value; issued and outstanding shares of 54,744,525 as of March 31, 2024 and December 31, 2023	547	547
Additional paid-in capital	7,317,895	7,413,305
Accumulated deficit	(3,576,763)	(3,617,718)
Accumulated other comprehensive income (loss)	(14,454)	(16,162)
<b>Total stockholders' equity</b>	<b>3,735,781</b>	<b>3,788,646</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 15,944,183</b>	<b>\$ 15,964,094</b>

See Notes to Condensed Consolidated Financial Statements

**ADT INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**  
**(in thousands, except per share data)**

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenue:</b>		
Monitoring and related services	\$ 1,062,652	\$ 1,028,634
Security installation, product, and other	127,020	103,842
Solar installation, product, and other	19,639	144,835
<b>Total revenue</b>	<b>1,209,311</b>	<b>1,277,311</b>
<b>Cost of revenue (exclusive of depreciation and amortization shown separately below)</b>		
Monitoring and related services	154,713	161,788
Security installation, product, and other	39,592	29,836
Solar installation, product, and other	41,522	98,344
<b>Total cost of revenue</b>	<b>235,827</b>	<b>289,968</b>
<b>Selling, general, and administrative expenses</b>	<b>398,453</b>	<b>393,374</b>
Depreciation and intangible asset amortization	334,353	362,351
Merger, restructuring, integration, and other	45,182	15,537
Goodwill impairment	—	241,630
<b>Operating income (loss)</b>	<b>195,496</b>	<b>( 25,549 )</b>
Interest expense, net	( 88,931 )	( 171,302 )
Other income (expense)	15,622	( 1,190 )
<b>Income (loss) from continuing operations before income taxes and equity in net earnings (losses) of equity method investee</b>	<b>122,187</b>	<b>( 198,041 )</b>
Income tax benefit (expense)	( 30,655 )	73,937
<b>Income (loss) from continuing operations before equity in net earnings (losses) of equity method investee</b>	<b>91,532</b>	<b>( 124,104 )</b>
Equity in net earnings (losses) of equity method investee	—	( 2,677 )
<b>Income (loss) from continuing operations</b>	<b>91,532</b>	<b>( 126,781 )</b>
Income (loss) from discontinued operations, net of tax	19	7,944
<b>Net income (loss)</b>	<b>\$ 91,551</b>	<b>\$ ( 118,837 )</b>
<b>Common Stock:</b>		
Income (loss) from continuing operations per share - basic	\$ 0.10	\$ ( 0.14 )
Income (loss) from continuing operations per share - diluted	\$ 0.10	\$ ( 0.14 )
Net income (loss) per share - basic	\$ 0.10	\$ ( 0.13 )
Net income (loss) per share - diluted	\$ 0.10	\$ ( 0.13 )
Weighted-average shares outstanding - basic	855,893	854,299
Weighted-average shares outstanding - diluted	918,394	854,299
<b>Class B Common Stock:</b>		
Income (loss) from continuing operations per share - basic	\$ 0.10	\$ ( 0.14 )
Income (loss) from continuing operations per share - diluted	\$ 0.10	\$ ( 0.14 )
Net income (loss) per share - basic	\$ 0.10	\$ ( 0.13 )
Net income (loss) per share - diluted	\$ 0.10	\$ ( 0.13 )
Weighted-average shares outstanding - basic	54,745	54,745
Weighted-average shares outstanding - diluted	54,745	54,745

See Notes to Condensed Consolidated Financial Statements

**ADT INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(Unaudited)**  
**(in thousands)**

	Three Months Ended March 31,	
	2024	2023
Net income (loss)	\$ 91,551	\$ (118,837)
Other comprehensive income (loss), net of tax:		
Cash flow hedges	1,617	4,135
Other	91	(28)
<b>Total other comprehensive income (loss), net of tax</b>	1,708	4,107
<b>Comprehensive income (loss)</b>	<b>\$ 93,259</b>	<b>\$ (114,730)</b>

See Notes to Condensed Consolidated Financial Statements

**ADT INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**(Unaudited)**  
**(in thousands)**

**Three Months Ended March 31, 2024**

	<b>Number of Common Shares</b>	<b>Number of Class B Common Shares</b>	<b>Common Stock</b>	<b>Class B Common Stock</b>	<b>Additional Paid-In Capital</b>	<b>Accumulated Deficit</b>	<b>Comprehensive Income (Loss)</b>	<b>Accumulated Other Comprehensive Income</b>	<b>Total Stockholders' Equity</b>
<b>Beginning balance</b>	867,432	54,745	\$ 8,674	\$ 547	\$ 7,413,305	\$ (3,617,718)	\$ (16,162)	\$ 3,788,646	
Net income (loss)	—	—	—	—	—	91,551	—	—	91,551
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	1,708	1,708	1,708
Dividends	—	—	—	—	—	(50,070)	—	—	(50,070)
Share-based compensation expense	—	—	—	—	7,971	—	—	—	7,971
Repurchases of common stock (including excise tax)	(15,000)	—	(150)	—	(93,969)	—	—	—	(94,119)
Transactions related to employee share-based compensation plans and other	3,197	—	32	—	(9,412)	(526)	—	—	(9,906)
<b>Ending balance</b>	<b>855,629</b>	<b>54,745</b>	<b>\$ 8,556</b>	<b>\$ 547</b>	<b>\$ 7,317,895</b>	<b>\$ (3,576,763)</b>	<b>\$ (14,454)</b>	<b>\$ 3,735,781</b>	

**Three Months Ended March 31, 2023**

	<b>Number of Common Shares</b>	<b>Number of Class B Common Shares</b>	<b>Common Stock</b>	<b>Class B Common Stock</b>	<b>Additional Paid-In Capital</b>	<b>Accumulated Deficit</b>	<b>Comprehensive Income (Loss)</b>	<b>Accumulated Other Comprehensive Income</b>	<b>Total Stockholders' Equity</b>
<b>Beginning balance</b>	862,098	54,745	\$ 8,621	\$ 547	\$ 7,380,759	\$ (3,949,579)	\$ (47,200)	\$ 3,393,148	
Net income (loss)	—	—	—	—	—	(118,837)	—	—	(118,837)
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	4,107	4,107	4,107
Dividends	—	—	—	—	—	(32,258)	—	—	(32,258)
Share-based compensation expense	—	—	—	—	15,982	—	—	—	15,982
Transactions related to employee share-based compensation plans and other	4,819	—	47	—	(15,874)	(883)	—	—	(16,710)
<b>Ending balance</b>	<b>866,917</b>	<b>54,745</b>	<b>\$ 8,668</b>	<b>\$ 547</b>	<b>\$ 7,380,867</b>	<b>\$ (4,101,557)</b>	<b>\$ (43,093)</b>	<b>\$ 3,245,432</b>	

See Notes to Condensed Consolidated Financial Statements

**ADT INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Uaudited)  
(in thousands)

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 91,551	\$ (118,837)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and intangible asset amortization	334,353	383,055
Amortization of deferred subscriber acquisition costs	54,605	46,684
Amortization of deferred subscriber acquisition revenue	(83,376)	(72,022)
Share-based compensation expense	7,971	15,982
Deferred income taxes	11,414	(69,740)
Provision for losses on receivables and inventory	60,765	26,479
Goodwill, intangible, and other asset impairments	20,446	242,630
Unrealized (gain) loss on interest rate swap contracts	(10,146)	32,516
Other non-cash items, net	20,845	28,601
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Deferred subscriber acquisition costs	(89,086)	(87,161)
Deferred subscriber acquisition revenue	65,918	73,529
Other, net	(121,458)	(195,076)
Net cash provided by (used in) operating activities	<u>363,802</u>	<u>306,640</u>
<b>Cash flows from investing activities:</b>		
Dealer generated customer accounts and bulk account purchases	(117,594)	(115,818)
Subscriber system asset expenditures	(140,515)	(159,433)
Purchases of property and equipment	(40,689)	(59,215)
Proceeds (payments) from interest rate swaps	(1,816)	—
Other investing, net	544	(1,574)
Net cash provided by (used in) investing activities	<u>(300,070)</u>	<u>(336,040)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from long-term borrowings	95,000	600,000
Proceeds from receivables facility	65,910	63,749
Proceeds (payments) from interest rate swaps	23,908	16,322
Repurchases of common stock	(93,356)	—
Repayment of long-term borrowings, including call premiums	(56,646)	(607,444)
Repayment of receivables facility	(57,984)	(44,432)
Dividends on common stock	(32,207)	(32,038)
Payments on finance leases	(7,237)	(10,982)
Other financing, net	(12,374)	(25,803)
Net cash provided by (used in) financing activities	<u>(74,986)</u>	<u>(40,628)</u>
<b>Cash and cash equivalents and restricted cash and restricted cash equivalents:</b>		
Net increase (decrease)	(11,254)	(70,028)
Beginning balance	129,950	373,580
Ending balance	<u>\$ 118,696</u>	<u>\$ 303,552</u>

See Notes to Condensed Consolidated Financial Statements

**ADT INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Business and Organization**

ADT Inc., together with its wholly-owned subsidiaries (collectively, "ADT" or the "Company"), provides security, interactive, and smart home solutions to consumer and small business customers in the United States ("U.S.").

Prior to March 11, 2024, the Company was majority-owned by Prime Security Services TopCo (ML), L.P., which is majority-owned by Prime Security Services TopCo Parent, L.P. ("Ultimate Parent"). Ultimate Parent is majority-owned by Apollo Investment Fund VIII, L.P. and its related funds that are directly or indirectly managed by affiliates of Apollo Global Management, Inc. (together with its subsidiaries and affiliates, "Apollo" or the "Sponsor"). Following a registered secondary offering of the Company's common stock ("Common Stock") by certain Apollo affiliates (and the Company's concurrent repurchase from the underwriters of 15 million shares of Common Stock that were the subject of the offering), including the exercise of the underwriters' overallotment option which closed on March 19, 2024, Apollo beneficially owns less than 50 % of the Company's outstanding common stock, which includes Common Stock and Class B common stock ("Class B Common Stock") combined, and less than 50 % of the Company's outstanding Common Stock, and the Company ceased to be a "controlled company" under the New York Stock Exchange (the "NYSE") rules.

**Basis of Presentation**

The condensed consolidated financial statements included herein have been prepared in U.S. dollars in accordance with generally accepted accounting principles in the United States of America ("GAAP").

The financial statements included herein comprise the consolidated results of ADT Inc. and its wholly-owned subsidiaries. The results of companies acquired (if applicable) are included from the effective dates of acquisition, and all intercompany transactions have been eliminated.

In August 2023, ADT entered into an agreement to divest its commercial business (the "Commercial Business"), which was completed in October 2023 (the "Commercial Divestiture"). Beginning in the third quarter of 2023, the Company presented its Commercial Business as a discontinued operation. Refer to Note 4 "Divestitures" for additional information. Unless otherwise noted, amounts and disclosures throughout these Notes to Condensed Consolidated Financial Statements relate to the Company's continuing operations.

The Company sold its shares in SNTNL LLC ("Canopy") during the fourth quarter of 2023. Prior to the sale, the Company used the equity method of accounting to account for its investment in Canopy as it had the ability to exercise significant influence but did not control.

The condensed consolidated financial statements included herein are unaudited, but in the opinion of management, such financial statements include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the Company's financial position, results of operations, and cash flows for the interim periods presented. The interim results reported herein should not be taken as indicative of results that may be expected for future interim periods or the full year.

The Condensed Consolidated Balance Sheet as of December 31, 2023 included herein was derived from the audited consolidated financial statements as of that date. Certain information and footnote disclosures required in the annual consolidated financial statements have been omitted as appropriate. For a more comprehensive understanding of the Company and its interim results, these condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report").

Certain prior period amounts have been reclassified to conform with the current period presentation.

**Use of Estimates**

The preparation of these condensed consolidated financial statements in accordance with GAAP requires the Company to select accounting policies and make estimates that affect amounts reported in the condensed consolidated financial statements and the accompanying notes. The Company's estimates are based on the relevant information available at the end of each period. Actual results could differ materially from these estimates under different assumptions or market conditions.

### **Segments**

The Company reports its results in two operating and reportable segments, Consumer and Small Business ("CSB") and Solar. Prior to the third quarter of 2023, the Commercial Business was reflected in the Commercial reportable segment.

The accounting policies of the Company's reportable segments are the same as those of the Company. Refer to Note 3 "Segment Information" for additional information.

### **Accounting Pronouncements**

#### **Recently Adopted Accounting Pronouncements**

*Supplier Finance Program Obligations* - ASU 2022-04, *Liabilities — Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*, requires that a reporting entity who is a buyer in a supplier finance program disclose qualitative and quantitative information about its supplier finance programs, including a roll-forward of the obligations.

The Company adopted the roll-forward requirement effective January 1, 2024. The Company does not currently have any material supplier finance programs, and the guidance will be applied prospectively to any future arrangements.

*Fair Value of Equity Investments* - ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*, states that an entity should not consider the contractual sale restriction when measuring the equity security's fair value and introduces new disclosure requirements related to such equity securities.

The Company adopted this guidance effective January 1, 2024. This guidance did not impact the Company.

#### **Recently Issued Accounting Pronouncements**

*Disclosure Improvements* - ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*, represents changes to clarify or improve disclosure and presentation requirements of a variety of topics.

The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The Company is currently evaluating the potential impact of this guidance on its financial statements and disclosures.

*Segment Reporting* - ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, improves reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. In addition, the guidance, among other requirements, enhances interim disclosures, clarifies circumstances in which an entity can disclose multiple segment measures of profit or loss, and provides new segment disclosure requirements for entities with a single reportable segment.

The amendments in this guidance are effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. This guidance should be applied retrospectively to all periods presented. Early adoption is permitted. The Company is currently evaluating the impact of this guidance.

*Income Taxes* - ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, focuses on improvements to income tax disclosures, primarily related to the rate reconciliation and income tax paid information. In addition, the update includes certain other amendments to improve the effectiveness of income tax disclosures.

The guidance is effective for annual periods beginning after December 15, 2024, and should be applied prospectively, with retrospective application also a permitted option. Early adoption is permitted. The Company is currently evaluating the impact of this guidance.

### **Significant Accounting Policies**

Unless otherwise noted, the Company's accounting policies discussed below, or included within the respective footnotes herein, do not materially differ from those disclosed in the 2023 Annual Report.

**ADT INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Uaudited)

**Cash and Cash Equivalents and Restricted Cash and Restricted Cash Equivalents**

The following table reconciles the amounts below reported in the Condensed Consolidated Balance Sheets to the total of the same such amounts shown in the Condensed Consolidated Statements of Cash Flows:

(in thousands)	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 4,041	\$ 14,621
Restricted cash and restricted cash equivalents <sup>(1)</sup>	114,655	115,329
<b>Ending balance</b>	<b>\$ 118,696</b>	<b>\$ 129,950</b>

(1) Primarily includes funds received, net of payments, from State Farm Fire & Casualty Company ("State Farm"), inclusive of accrued interest, in connection with the State Farm Development Agreement (as defined and discussed in Note 14 "Related Party Transactions"). The remaining amount of restricted cash relates to the Company's uncommitted receivables securitization financing agreement (the "2020 Receivables Facility"). Refer to Note 6 "Debt."

**Inventories, net**

Inventories, net includes finished goods and work-in-progress. Work-in-progress is not material.

**Subscriber System Assets, net and Deferred Subscriber Acquisition Costs, net**

Subscriber system assets represent capitalized equipment and installation costs incurred in connection with transactions in which the Company retains ownership of the security system, and which the Company may retrieve upon termination of the contract with the customer. Deferred subscriber acquisition costs represent selling expenses (primarily commissions) that are incremental to acquiring customers.

Subscriber system assets and any related deferred subscriber acquisition costs are accounted for on a pooled basis based on the month and year of customer acquisition. The Company depreciates and amortizes these pooled costs using an accelerated method over the estimated life of the customer relationship, which is 15 years.

(in thousands)	March 31, 2024	December 31, 2023
Gross carrying amount	\$ 6,534,535	\$ 6,404,479
Accumulated depreciation	( 3,523,116 )	( 3,398,543 )
<b>Subscriber system assets, net</b>	<b>\$ 3,011,419</b>	<b>\$ 3,005,936</b>

Depreciation of subscriber system assets and amortization of deferred subscriber acquisition costs are reflected in depreciation and intangible asset amortization and selling, general, and administrative expenses ("SG&A"), respectively, as follows:

(in thousands)	Three Months Ended March 31,	
	2024	2023
Depreciation of subscriber system assets	\$ 138,303	\$ 137,431
Amortization of deferred subscriber acquisition costs	54,605	44,232

**Accrued Expenses and Other Current Liabilities**

(in thousands)	March 31, 2024	December 31, 2023
Accrued interest	\$ 85,514	\$ 111,204
Payroll-related accruals	71,365	118,495
Opportunity Fund (see Note 14 "Related Party Transactions")	91,686	93,950
Operating lease liabilities (see Note 13 "Leases")	16,672	15,979
Accrued dividends	49,965	32,207
Other accrued liabilities	259,577	229,480
<b>Accrued expenses and other current liabilities</b>	<b>\$ 574,779</b>	<b>\$ 601,315</b>

**ADT INC. AND SUBSIDIARIES**  
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**Merger, Restructuring, Integration, and Other**

Merger, restructuring, integration, and other represents certain direct and incremental costs resulting from acquisitions made by the Company, integration and optimization costs as a result of those acquisitions, costs related to the Company's restructuring efforts, as well as fair value remeasurements and impairment charges on certain strategic investments.

**Fair Value of Financial Instruments**

The Company's financial instruments primarily consist of cash and cash equivalents, restricted cash and restricted cash equivalents, accounts receivable, retail installment contract receivables, accounts payable, debt, and derivative financial instruments. Due to their short-term and/or liquid nature, the fair values of cash, restricted cash, accounts receivable, and accounts payable approximate their respective carrying amounts.

**Cash Equivalents** - Included in cash and cash equivalents and restricted cash and restricted cash equivalents, as applicable from time to time, are investments in money market mutual funds. These investments are generally classified as Level 1 fair value measurements, which represent unadjusted quoted prices in active markets for identical assets or liabilities.

As of March 31, 2024 and December 31, 2023, investments in money market mutual funds were \$ 41 million and \$ 55 million, respectively.

**Long-Term Debt Instruments** - The fair values of the Company's long-term debt instruments are determined using broker-quoted market prices, which represent quoted prices for similar assets or liabilities as well as other observable market data, and are classified as Level 2 fair value measurements. The carrying amounts of debt outstanding, if any, under the Company's first lien revolving credit facility (the "First Lien Revolving Credit Facility") and the 2020 Receivables Facility approximate their fair values as interest rates on these borrowings approximate current market rates.

(in thousands)	March 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt instruments subject to fair value disclosures <sup>(1)</sup>	\$ 7,808,512	\$ 7,716,887	\$ 7,756,800	\$ 7,732,159

(1) Excludes finance leases.

**Derivative Financial Instruments** - Derivative financial instruments are reported at fair value as either assets or liabilities that are primarily calculated using discounted cash flow models utilizing observable inputs, such as quoted forward interest rates, and incorporate credit risk adjustments to reflect the risk of default by the counterparty or the Company. The resulting fair values are classified as Level 2 fair value measurements.

Refer to Note 7 "Derivative Financial Instruments" for the fair values of the Company's derivative financial instruments.

**CSB Retail Installment Contract Receivables** - The fair values of the Company's CSB retail installment contract receivables are determined using a discounted cash flow model and are classified as Level 3 fair value measurements.

(in thousands)	March 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Retail installment contract receivables, net	\$ 673,813	\$ 489,869	\$ 673,635	\$ 487,685

**2. REVENUE AND RECEIVABLES**

**Revenue**

The Company allocates the transaction price to each performance obligation based on relative standalone selling price, which is determined using observable internal and external pricing, profitability, and operational metrics.

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In addition to details provided below, the Company's disaggregated revenue is presented on the face of the Condensed Consolidated Statements of Operations, which includes monitoring and related services and security installation, product, and other revenue presented for its CSB segment, as well as Solar installation, product, and other revenue.

**CSB Company-Owned** - In transactions in which the Company provides monitoring and related services but retains ownership of the security system (referred to as Company-owned transactions), the Company's performance obligations primarily include (i) monitoring and related services, which are recognized when these services are provided to the customer, and (ii) a material right associated with the one-time non-refundable fees in connection with the initiation of a monitoring contract which the customer will not be required to pay again upon a renewal of the contract (referred to as deferred subscriber acquisition revenue). Deferred subscriber acquisition revenue is amortized on a pooled basis over the estimated life of the customer relationship using an accelerated method consistent with the treatment of subscriber system assets and deferred subscriber acquisition costs and is reflected in security installation, product, and other revenue.

(in thousands)	Three Months Ended March 31,	
	2024	2023
Amortization of deferred subscriber acquisition revenue	\$ 83,376	\$ 69,698

**CSB Customer-Owned** - In transactions involving security systems sold outright to the customer (referred to as outright sales), the Company's performance obligations generally include the sale and installation of the system, which is primarily recognized at a point in time based upon the nature of the transaction and contractual terms, and any monitoring and related services, which are recognized when these services are provided to the customer.

**Solar** - As discussed in Note 4 "Divestitures," the Company began exiting the residential solar business in January 2024.

During the three months ended March 31, 2024, revenue and cost of revenue from the sale of solar equipment was not material. During the three months ended March 31, 2023, revenue and cost of revenue from the sale of solar equipment was approximately \$ 75 million and \$ 52 million, respectively.

#### **Allowance for Credit Losses**

The Company evaluates its allowance for credit losses on accounts receivable in pools based on customer type. For each customer pool, the allowance for credit losses is estimated based on the delinquency status of the underlying receivables and the related historical loss experience, as adjusted for current and expected future conditions, if applicable. The allowance for credit losses is not material for the individual pools of customers.

(in thousands)	Three Months Ended March 31,	
	2024	2023
<b>Beginning balance</b>	\$ 53,229	\$ 35,482
Provision for credit losses	53,465	23,648
Write-offs, net of recoveries <sup>(1)</sup>	( 39,767 )	( 24,646 )
<b>Ending balance</b>	\$ 66,927	\$ 34,484

(1) Recoveries were not material for the periods presented. As such, the Company presented write-offs, net of recoveries.

#### **Retail Installment Contract Receivables, Net**

For security system transactions occurring under both Company-owned and customer-owned equipment models, the Company's retail installment contract option allows qualifying residential customers to pay the fees due at installation over a 24-, 36-, or 60-month interest-free period, and there is no significant financing component.

Upon origination of a retail installment contract, the Company utilizes external credit scores to assess customer credit quality and determine eligibility. Subsequent to origination, the Company monitors the delinquency status of retail installment contract receivables as the key credit quality indicator.

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The balance of unbilled retail installment contract receivables comprises:

(in thousands)	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Retail installment contract receivables, gross	\$ 676,367	\$ 674,827
Allowance for credit losses	( 2,554 )	( 1,192 )
<b>Retail installment contract receivables, net</b>	<b>\$ 673,813</b>	<b>\$ 673,635</b>
<b>Balance Sheet Classification:</b>		
Accounts receivable, net	\$ 245,887	\$ 238,961
Other assets	427,926	434,674
<b>Retail installment contract receivables, net</b>	<b>\$ 673,813</b>	<b>\$ 673,635</b>

The allowance for credit losses relates to retail installment contract receivables from CSB outright sales transactions. As of March 31, 2024, the current and delinquent billed retail installment contract receivables were not material.

As of March 31, 2024 and December 31, 2023, retail installment contract receivables, net, used as collateral for borrowings under the 2020 Receivables Facility were \$ 619 million and \$ 610 million, respectively. Refer to Note 6 "Debt" for further discussion regarding the 2020 Receivables Facility.

#### Contract Assets

Contract assets represent the Company's right to consideration in exchange for goods or services transferred to the customer. The contract asset is reclassified to accounts receivable when the Company's right to the consideration becomes unconditional, which generally occurs over the course of a 24-, 36-, or 60-month period as additional services are performed and billed. There is no significant financing component.

During the three months ended March 31, 2024 and 2023, contract assets recognized were not material.

The balance of contract assets for residential transactions comprises:

(in thousands)	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Contract assets, gross	\$ 39,787	\$ 39,627
Allowance for credit losses	( 5,054 )	( 9,025 )
<b>Contract assets, net</b>	<b>\$ 34,733</b>	<b>\$ 30,602</b>
<b>Balance Sheet Classification:</b>		
Prepaid expenses and other current assets	\$ 16,969	\$ 15,365
Other assets	17,764	15,237
<b>Contract assets, net</b>	<b>\$ 34,733</b>	<b>\$ 30,602</b>

### 3. SEGMENT INFORMATION

The Company's segments are based on the manner in which the Company's Chief Executive Officer, who is the chief operating decision maker (the "CODM") evaluates performance and makes decisions about how to allocate resources.

As discussed in Note 1 "Description of Business and Summary of Significant Accounting Policies," the Company reports results in two operating and reportable segments: CSB and Solar.

The Company organizes its segments based on customer type as follows:

- **CSB** - Customers in the CSB segment comprise owners and renters of residential properties, small business operators, and other individual consumers. The CSB segment includes the sale, installation, servicing, and monitoring of integrated security and automation systems and other related offerings.
- **Solar** - Customers in the Solar segment comprise residential homeowners. The Solar segment includes the sale and installation of solar systems, energy storage solutions, roofing services, and other related offerings.

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The CSB and Solar segments include the respective revenue and operating costs related to the activities noted above, other operating costs associated with support functions related to these operations, and certain dedicated corporate costs and other income and expense items. The CSB segment includes general corporate costs and other income and expense items not included in the Solar segment.

The CODM uses Adjusted EBITDA from continuing operations ("Adjusted EBITDA"), which is the Company's segment profit measure, to evaluate segment performance. Adjusted EBITDA is defined as income (loss) from continuing operations adjusted for (i) interest; (ii) taxes; (iii) depreciation and amortization, including depreciation of subscriber system assets and other fixed assets and amortization of dealer and other intangible assets; (iv) amortization of deferred costs and deferred revenue associated with subscriber acquisitions; (v) share-based compensation expense; (vi) merger, restructuring, integration, and other items; (vii) impairment charges; and (viii) non-cash, non-routine, or other adjustments or charges not necessary to operate our business.

The CODM does not review the Company's assets by segment; therefore, such information is not presented.

**Reconciliations**

The following table presents total revenue by segment and a reconciliation to consolidated total revenue:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2024	2023
CSB	\$ 1,189,672	\$ 1,132,476
Solar	19,639	144,835
<b>Total Revenue</b>	<b>\$ 1,209,311</b>	<b>\$ 1,277,311</b>

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The following table presents Adjusted EBITDA by segment and a reconciliation to consolidated income (loss) from continuing operations before income taxes and equity in net earnings (losses) of equity method investee:

(in thousands)	Three Months Ended March 31,	
	2024	2023
<b>Adjusted EBITDA by segment:</b>		
CSB	\$ 637,691	\$ 590,031
Solar	( 23,501 )	( 10,545 )
<b>Total</b>	\$ 614,190	\$ 579,486
<b>Reconciliation:</b>		
<b>Total segment Adjusted EBITDA</b>	\$ 614,190	\$ 579,486
Less:		
Interest expense, net	88,931	171,302
Depreciation and intangible asset amortization	334,353	362,351
Amortization of deferred subscriber acquisition costs	54,605	44,232
Amortization of deferred subscriber acquisition revenue	( 83,376 )	( 69,698 )
Share-based compensation expense	7,971	12,774
Merger, restructuring, integration, and other <sup>(1)</sup>	45,182	15,537
Goodwill impairment <sup>(2)</sup>	—	241,630
Other solar exit costs <sup>(3)</sup>	38,370	—
Other, net <sup>(4)</sup>	5,967	2,076
Equity in net earnings (losses) of equity method investee	—	( 2,677 )
<b>Income (loss) from continuing operations before income taxes and equity in net earnings (losses) of equity method investee</b>	\$ 122,187	\$ ( 198,041 )

(1) During 2024, primarily includes \$ 37 million of charges related to asset impairments and other write-offs, employee separation costs, and other charges related to the ADT Solar Exit (Refer to Note 4 "Divestitures"). During 2023, primarily includes restructuring costs primarily related to certain facility exits, as well as integration and third-party costs related to the strategic optimization of the solar business operations following the ADT Solar acquisition.

(2) Represents impairment charges associated with the Company's Solar reporting unit. Refer to Note 5 "Goodwill and Other Intangible Assets."

(3) Includes other costs associated with the ADT Solar Exit, including charges of \$ 19 million primarily associated with the disposition of the existing installation pipeline and \$ 15 million associated with the write-down and disposition of inventory on hand. Refer to Note 4 "Divestitures."

(4) During 2024, primarily includes unrealized (gains) / losses on interest rate swaps presented within other income (expense). Refer to Note 7 "Derivative Financial Instruments."

#### 4. DIVESTITURES

The Company may decide to divest or exit a portion of its business for various reasons, including efforts to focus on its other businesses. The Company presents discontinued operations for components of the business that are either disposed of through sale (or qualify as held for sale), abandonment, or spin-off if these actions also represent a strategic shift that has or will have a major effect on the Company's financial results.

##### ADT Solar Exit

In November 2023, the Company announced a plan to streamline the solar business to focus on the top performing markets and rationalize the overhead and infrastructure of the business. As part of this plan, the Company closed a significant number of branches that operated the solar business along with making associated headcount reductions.

On January 19, 2024, after a strategic review of the business and continued macroeconomic and industry pressures, the Company's board of directors (the "Board of Directors" or the "Board") approved a plan to fully exit the residential solar business (the "ADT Solar Exit"). The solar business is currently reflected in the solar operating and reportable segment.

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During the three months ended March 31, 2024, the Company incurred aggregate charges (in thousands) which have been recognized within their respective line items as follows:

	<b>Solar Installation, Product, and Other Cost of Revenue</b>	<b>Selling, general, and administrative expenses</b>	<b>Merger, restructuring, integration, and other</b>	<b>Total</b>
Employee separation costs	\$ —	\$ —	\$ 10,933	\$ 10,933
Asset impairments and write-offs <sup>(1)</sup>	—	3,124	17,244	20,368
Contract termination charges	1,404	—	3,797	5,201
Write-down and disposition of inventory	14,574	—	—	14,574
Other <sup>(2)</sup>	4,950	14,318	5,012	24,280
<b>Total</b>	<b>\$ 20,928</b>	<b>\$ 17,442</b>	<b>\$ 36,986</b>	<b>\$ 75,356</b>

(1) Primarily relates to long-lived asset impairments and write-off of deferred implementation costs associated with cloud computing arrangements.

(2) Primarily relates to charges associated with the disposition of the existing installation pipeline.

During the three months ended March 31, 2024, the Company paid approximately \$ 11 million primarily related to employee separation costs associated with the ADT Solar Exit.

**Commercial Divestiture**

On October 2, 2023, the Company completed the Commercial Divestiture for a total purchase price of approximately \$ 1,613 million and received net proceeds of approximately \$ 1,585 million, subject to certain customary post-closing adjustments as set forth in the purchase agreement.

The results of the Commercial Business are classified as a discontinued operation in the Company's Condensed Consolidated Statements of Operations for the historical periods presented. Additionally, for periods prior to the Commercial Divestiture, the cash flows and comprehensive income (loss) of the Commercial Business have not been segregated and are included in the Condensed Consolidated Statements of Cash Flows and Condensed Consolidated Statements of Comprehensive Income (Loss), respectively, for any period presented prior to the Commercial Divestiture.

Refer to Note 11 "Net Income (Loss) per Share" for basic and diluted earnings per share information for discontinued operations.

The following reconciliations represent the major classes of line items of the Commercial Business presented as discontinued operations within the Condensed Consolidated Statements of Operations and certain information within the Condensed Consolidated Statements of Cash Flows for any period presented prior to the Commercial Divestiture.

**Statements of Operations Information**

During the three months ended March 31, 2024, activity relating to the Commercial Divestiture was not material.

<i>(in thousands)</i>	<b>Three Months Ended March 31, 2023</b>
Revenue	\$ 335,043
Cost of revenue	224,033
Selling, general, and administrative expenses	68,855
Depreciation and intangible asset amortization	20,704
Other income and expense items	2,434
<b>Income (loss) from discontinued operations before income taxes</b>	<b>19,017</b>
Income tax benefit (expense)	( 11,073 )
<b>Income (loss) from discontinued operations, net of tax</b>	<b>\$ 7,944</b>

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**Cash Flow Information**

(in thousands)	Three Months Ended March 31, 2023	
<b>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</b>		
Depreciation and intangible asset amortization	\$	20,704
Share-based compensation expense	\$	3,208
<b>Cash flows from investing activities:</b>		
Subscriber system asset expenditures	\$	( 3,676 )
Purchases of property and equipment	\$	( 1,079 )

***Transition Services Agreement***

In connection with the Commercial Divestiture, the Company entered into a Transition Services Agreement (the "Commercial TSA"). During the three months ended March 31, 2024, the Company recognized \$ 12 million of income from the Commercial TSA, which is reflected in other income (expense).

**5. GOODWILL AND OTHER INTANGIBLE ASSETS**

**Goodwill**

There were no changes in the carrying amounts of goodwill since December 31, 2023.

As of March 31, 2024 and December 31, 2023, the Company had accumulated goodwill impairment losses of \$ 712 million associated with the Company's Solar reporting unit, and as of December 31, 2023, the balance of goodwill in the Solar reporting unit was zero.

During the three months ended March 31, 2023, the Company recorded goodwill impairment charges of \$ 242 million in its Solar reporting unit.

**Other Intangible Assets**

(in thousands)	March 31, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Definite-lived intangible assets:</b>						
Contracts and related customer relationships	\$ 5,688,746	\$ ( 3,067,312 )	\$ 2,621,434	\$ 5,571,456	\$ ( 2,937,245 )	\$ 2,634,211
Dealer relationships	1,518,020	( 637,963 )	880,057	1,518,020	( 618,154 )	899,866
Other	209,773	( 200,278 )	9,495	209,773	( 199,357 )	10,416
<b>Total definite-lived intangible assets</b>	<b>7,416,539</b>	<b>( 3,905,553 )</b>	<b>3,510,986</b>	<b>7,299,249</b>	<b>( 3,754,756 )</b>	<b>3,544,493</b>
<b>Indefinite-lived intangible assets:</b>						
Trade name	1,333,000	—	1,333,000	1,333,000	—	1,333,000
<b>Intangible assets</b>	<b>\$ 8,749,539</b>	<b>\$ ( 3,905,553 )</b>	<b>\$ 4,843,986</b>	<b>\$ 8,632,249</b>	<b>\$ ( 3,754,756 )</b>	<b>\$ 4,877,493</b>

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The change in the net carrying amount of contracts and related customer relationships during the period was as follows:

<i>(in thousands)</i>	<b>Balance as of December 31, 2023</b>	<b>\$ 2,634,211</b>
Customer contract additions, net of dealer charge-backs <sup>(1)</sup>	117,391	
Amortization	( 130,168 )	
<b>Balance as of March 31, 2024</b>	<b>\$ 2,621,434</b>	

(1) The weighted-average amortization period for customer contract additions was approximately 15 years.

Payments for customer contract additions under the Company's authorized dealer program and from other third parties are reflected as dealer generated customer accounts and bulk account purchases on the Condensed Consolidated Statements of Cash Flows.

**Definite-Lived Intangible Asset Amortization Expense**

<i>(in thousands)</i>	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Definite-lived intangible asset amortization expense	\$ 150,898	\$ 177,480

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**6. DEBT**

The Company's debt is comprised of the following (*in thousands*):

Description	Issued	Maturity	Interest Rate <sup>(1)</sup>	Interest Payable	March 31, 2024	December 31, 2023
First Lien Term Loan B due 2030	10/13/2023	10/13/2030	Term SOFR + 2.50 %	Quarterly	\$ 1,371,563	\$ 1,375,000
First Lien Revolving Credit Facility	3/16/2018	6/23/2026	Term SOFR + 2.75 %	Quarterly	50,000	—
Term Loan A Facility	3/14/2023	3/14/2028	Term SOFR + 2.25 %	Quarterly	617,500	625,625
First Lien Notes due 2024	4/4/2019	4/15/2024	5.250 %	2/15 and 8/15	99,999	99,999
First Lien Notes due 2026	4/4/2019	4/15/2026	5.750 %	3/15 and 9/15	1,350,000	1,350,000
First Lien Notes due 2027	8/20/2020	8/31/2027	3.375 %	6/15 and 12/15	1,000,000	1,000,000
First Lien Notes due 2029	7/29/2021	8/1/2029	4.125 %	2/1 and 8/1	1,000,000	1,000,000
ADT Notes due 2032	5/2/2016	7/15/2032	4.875 %	1/15 and 7/15	728,016	728,016
ADT Notes due 2042	7/5/2012	7/15/2042	4.875 %	1/15 and 7/15	21,896	21,896
Second Lien Notes due 2028	1/28/2020	1/15/2028	6.250 %	1/15 and 7/15	1,300,000	1,300,000
2020 Receivables Facility <sup>(2)</sup>	3/5/2020	2/20/2029	Various	Monthly	443,930	436,004
Other debt <sup>(3)</sup>					668	751
<b>Total debt principal, excluding finance leases</b>					<b>7,983,572</b>	<b>7,937,291</b>
Plus: Finance lease liabilities <sup>(4)</sup>					80,436	87,161
Less: Unamortized debt discount, net					(14,814)	(15,005)
Less: Unamortized deferred financing costs					(37,079)	(39,620)
Less: Unamortized purchase accounting fair value adjustment and other					(123,167)	(125,866)
<b>Total debt</b>					<b>7,888,948</b>	<b>7,843,961</b>
Less: Current maturities of long-term debt, net of unamortized debt discount					(322,070)	(320,612)
<b>Long-term debt</b>					<b>\$ 7,566,878</b>	<b>\$ 7,523,349</b>

(1) Interest rate as of March 31, 2024. Interest on the 2020 Receivables Facility is primarily based on the Secured Overnight Financing Rate ("SOFR") + 0.95 % and Cost of Funds ("COF") + 0.85 %.

(2) Maturity date for the 2020 Receivables Facility represents the final maturity date of current loans borrowed under the facility.

(3) Other debt primarily consists of vehicle loans at various interest rates and maturities.

(4) Refer to Note 13 "Leases" for additional information regarding the Company's finance leases.

As of March 31, 2024, the Company was in compliance with all financial covenant and other maintenance tests for all of its debt obligations.

Significant changes in the Company's debt during the three months ended March 31, 2024 were as follows:

**First Lien Credit Agreement**

The Company's first lien credit agreement, dated as of July 1, 2015 (together with subsequent amendments and restatements, the "First Lien Credit Agreement"), contains a term loan (the "First Lien Term Loan B due 2030") and the First Lien Revolving Credit Facility.

During the three months ended March 31, 2024, the Company borrowed \$ 95 million and repaid \$ 45 million under the First Lien Revolving Credit Facility; and as of March 31, 2024, the available borrowing capacity was \$ 525 million.

During the three months ended March 31, 2023, there were no borrowings or repayments under the First Lien Revolving Credit Facility.

**Subsequent Event** - The Company amended and restated the First Lien Credit Agreement, which reduced the interest rate on the First Lien Term Loan B due 2030 from Term SOFR + 2.50 % to Term SOFR + 2.25 %.

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Other than as described above, the loans under the amended and restated First Lien Credit Agreement continue to have the same terms as provided under the existing First Lien Credit Agreement and the parties to the amended and restated First Lien Credit Agreement continue to have the same obligations set forth in the existing First Lien Credit Agreement.

**First Lien Notes due 2024 Redemption**

*Subsequent Event* - In April 2024, the Company redeemed the remaining outstanding principal balance of \$ 100 million of the First Lien Notes due 2024, excluding accrued and unpaid interest, using proceeds from the Company's First Lien Revolving Credit Facility.

**2020 Receivables Facility**

Under the 2020 Receivables Facility, the Company obtains financing by selling or contributing certain retail installment contract receivables to the Company's wholly-owned consolidated bankruptcy-remote special purpose entity (the "SPE"), which then grants a security interest in those retail installment contract receivables as collateral for cash borrowings.

In March 2024, the Company amended the agreement governing the 2020 Receivables Facility, pursuant to which the uncommitted revolving period was extended from March 2024 to April 2024.

As of March 31, 2024, the Company had an uncommitted available borrowing capacity under the 2020 Receivables Facility of approximately \$ 56 million.

*Subsequent Event* - In April 2024, the Company amended the agreement governing the 2020 Receivables Facility, pursuant to which, among other things, the borrowing capacity was increased from \$ 500 million to \$ 550 million and the uncommitted revolving period was extended from April 2024 to April 2025.

**Variable Interest Entity**

The SPE meets the definition of a variable interest entity ("VIE") for which the Company is the primary beneficiary as it has the power to direct the SPE's activities and the obligation to absorb losses or the right to receive benefits of the SPE. As such, the Company consolidates the SPE's assets, liabilities, and financial results of operations.

The SPE's assets and liabilities primarily consist of a portion of the Company's unbilled retail installment contract receivables, net, as discussed in Note 2 "Revenue and Receivables," and borrowings under the 2020 Receivables Facility, as presented above.

The 2020 Receivables Facility did not have a material impact to the Condensed Consolidated Statements of Operations during the periods presented.

**Solar Receivables Facility**

On August 2, 2023, Compass Solar Group, LLC ("Compass") and ADT Solar Finance LLC ("ADT Solar Finance"), each an indirect wholly-owned subsidiary of ADT Inc. entered into a Receivables Financing Agreement with Mizuho Bank, Ltd. (the "Solar Receivables Financing Agreement") to finance receivables generated by the installation of residential solar systems. The Solar Receivables Financing Agreement, among other things, provides for an uncommitted revolving loan facility in the aggregate principal amount of up to \$ 300 million which loans are secured by substantially all the assets of ADT Solar Finance (the "Solar Receivables Facility").

As of March 31, 2024, the Company has not borrowed any amounts under the Solar Receivable Facility, and given the ADT Solar Exit, the Company does not expect to borrow any amounts under the Solar Receivables Facility. The Solar Receivables Facility's uncommitted revolving period will expire in August 2024, unless terminated beforehand.

**7. DERIVATIVE FINANCIAL INSTRUMENTS**

The Company's derivative financial instruments primarily consist of interest rate swap contracts, which were entered into with the objective of managing exposure to variability in interest rates on the Company's debt. As of July 2023, SOFR is the applicable benchmark for all of the Company's interest rate swap contracts. All interest rate swap contracts are reported in the Condensed Consolidated Balance Sheets at fair value.

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For interest rate swap contracts that are:

- **Not designated as cash flow hedges:** Unrealized gains and losses are recognized in interest expense, net, and other income (expense) depending on the nature of the underlying that the swaps are economically hedging.
- **Designated as cash flow hedges:** Unrealized gains and losses are recognized as a component of accumulated other comprehensive income (loss) ("AOCI") and are reclassified into interest expense, net, in the same period in which the related interest on debt affects earnings.

For interest rate swap contracts that have been de-designated as cash flow hedges and for which forecasted cash flows are:

- **Probable or reasonably possible of occurring:** Unrealized gains and losses previously recognized as a component of AOCI are reclassified into interest expense, net, in the same period in which the related interest on variable-rate debt affects earnings through the original maturity date of the related interest rate swap contracts.
- **Probable of not occurring:** Unrealized gains and losses previously recognized as a component of AOCI are immediately reclassified into interest expense, net.

The cash flows associated with interest rate swap contracts that included an other-than-insignificant financing element at inception are reflected as cash flows from financing activities.

The cash flows associated with interest rate swap contracts that were entered into with the intention of offsetting the economic overhedge position of a portion of our existing interest rate swaps are reflected as cash flows from investing activities.

**Interest Rate Swaps**

As of March 31, 2024 and December 31, 2023, the Company's interest rate swaps consisted of the following (in thousands):

Execution	Maturity	Designation	Notional Amount
October 2019	September 2026	Not designated	\$ 2,800,000
March 2023 <sup>(1)</sup>	March 2028	Not designated	100,000
April 2023 <sup>(1)</sup>	March 2028	Not designated	200,000
December 2023 <sup>(2)</sup>	September 2026	Not designated	700,000
<b>Total notional amount</b>			<b>\$ 3,800,000</b>

(1) Interest rate swaps entered into to partially hedge the Term Loan A Facility.

(2) Interest rate swaps entered into to offset the excess notional interest rate swaps as a result of the partial redemption of the First Lien Term Loan due 2026. The changes in fair value associated with these swaps and the over-hedged swaps are reflected in other income (expense).

**Classification and Fair Value of Interest Rate Swaps**

(in thousands)	March 31, 2024	December 31, 2023
Prepaid expenses and other current assets	\$ 82,423	\$ 74,974
Other assets	\$ 88,996	\$ 76,493
Accrued expenses and other current liabilities	\$ 7,266	\$ 5,312
Other liabilities	\$ 256	\$ 1,325

**Unrealized Gain (Loss) on Interest Rate Swaps**

Statement of Operations Classification (in thousands)	Three Months Ended March 31,	
	2024	2023
Interest expense, net	\$ 16,747	\$ (32,516)
Other income (expense)	\$ (6,601)	\$ —

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**Cash Flow Hedges Reclassifications out of AOCI**

<i>(in thousands)</i>	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest expense, net	\$ 2,129	\$ 5,449
Income tax (benefit) expense	\$ (512)	\$ (1,314)

As of March 31, 2024 and December 31, 2023, AOCI, net of tax, related to previously designated cash flow hedges was \$ 12 million and \$ 13 million, respectively.

As of March 31, 2024, AOCI associated with previously designated cash flow hedges that is estimated to be reclassified to interest expense, net, within the next twelve months is not material.

**8. INCOME TAXES**

**Unrecognized Tax Benefits**

The Company's unrecognized tax benefits relate to tax years that remain subject to audit by the taxing authorities in the U.S. federal, state and local, and foreign jurisdictions. During the three months ended March 31, 2024, the Company did not have a material change to its unrecognized tax benefits from those disclosed in the 2023 Annual Report. Based on the current status of its income tax audits, the Company expects approximately \$ 29 million of its unrecognized tax benefits will be resolved in the next twelve months.

**Effective Tax Rate**

The effective tax rate can vary from period to period due to permanent tax adjustments, discrete items such as the settlement of income tax audits and changes in tax laws, as well as recurring factors such as changes in the overall state tax rate. The discussion below is based on the continuing operations of the Company.

The Company's income tax expense for the three months ended March 31, 2024 was \$ 31 million, resulting in an effective tax rate for the period of 25.1 %. The effective tax rate primarily represents the federal statutory rate of 21.0 %, a state tax rate, net of federal benefits, of 5.5 %, partially offset by a favorable impact of 2.1 % related to a decrease in unrecognized tax benefits related to prior years.

The Company's income tax benefit for the three months ended March 31, 2023 was \$ 74 million, resulting in an effective tax rate for the period of 37.3 %. The effective tax rate primarily represents the federal statutory tax rate of 21.0 %, a state tax rate, net of federal benefits, of 8.9 % and unfavorable impacts of 5.6 % related to the Solar goodwill impairment, partially offset by favorable impacts of 5.0 % from federal tax credits.

**9. EQUITY**

**Common Stock and Class B Common Stock**

The Company has two classes of common stock, including Common Stock and Class B Common Stock.

During the three months ended March 31, 2024, shares issued resulted from the vesting of restricted stock units ("RSUs") and stock option exercises related to share-based compensation awards.

**Share Repurchase Plan**

On January 24, 2024, the Company's Board of Director's announced a share repurchase plan (the "Share Repurchase Plan"), pursuant to which the Company is authorized to repurchase, through January 29, 2025, up to a maximum aggregate amount of \$ 350 million of shares of the Company's Common Stock under this Share Repurchase Plan.

The Company may effect these repurchases pursuant to one or more open market or private transactions, including pursuant to a plan that qualifies for the affirmative defense provided by Rule 10b5-1 under the Exchange Act, or pursuant to one or more accelerated share repurchase agreements.

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The Company is not obligated to repurchase any of its shares of Common Stock, and the timing and amount of any repurchases will depend on legal requirements, market conditions, stock price, the availability of the safe harbor provided by Rule 10b-18 under the Exchange Act, alternative uses of capital, and other factors.

During the three months ended March 31, 2024, the Company repurchased and retired 15 million shares of its Common Stock under the Share Repurchase Plan and paid approximately \$ 93 million (or approximately \$ 6.22 per share). As of March 31, 2024, the Company had approximately \$ 257 million remaining under the Share Repurchase Plan.

Refer to Note 14 "Related Party Transactions" for further information.

#### Dividends

(in thousands, except per share data)

Declaration Date	Record Date	Payment Date	Common Stock		Class B Common Stock	
			Per Share	Aggregate	Per Share	Aggregate
<b>Three Months Ended March 31, 2024</b>						
1/24/2024	3/14/2024	4/4/2024	\$ 0.055	\$ 47,059	\$ 0.055	\$ 3,011
<b>Three Months Ended March 31, 2023</b>						
2/28/2023	3/16/2023	4/4/2023	\$ 0.035	\$ 30,342	\$ 0.035	\$ 1,916

**Subsequent Event** - On April 25, 2024, the Company announced a dividend of \$ 0.055 per share to holders of Common Stock and Class B Common Stock of record on June 13, 2024, which will be paid on July 9, 2024.

#### Accumulated Other Comprehensive Income (Loss)

There were no material reclassifications out of AOCI. Refer to Note 7 "Derivative Financial Instruments" for AOCI reclassifications associated with cash flow hedges.

#### 10. SHARE-BASED COMPENSATION

##### RSUs

During the first quarter of 2024, the Company completed its annual long-term incentive plan equity award to employees and granted approximately 3.9 million RSUs under its 2018 Omnibus Incentive Plan, as amended (the "2018 Plan") with a grant date fair value of \$ 6.51 equal to the closing price per share of the Company's Common Stock on the date of grant. These RSUs are service-based awards with a three-year graded vesting period from the date of grant.

##### Options

During the first quarter of 2024, the Company granted approximately 6.8 million options under the 2018 Plan. These options are service-based awards with a three-year graded vesting period from the date of grant and have an exercise price of \$ 6.51, which is equal to the closing price per share of the Company's common stock on the date of grant, and a contractual term of ten years from the grant date. The weighted-average grant date fair value for the options granted was \$ 2.56.

The Company used a binomial lattice model to determine the grant date fair value for options granted and included the following assumptions:

Expected exercise term (years)	7
Expected volatility <sup>(1)</sup>	49.9 %
Expected dividend yield <sup>(2)</sup>	3.4 %
Risk-free interest rate <sup>(3)</sup>	4.0 %

(1) Estimated using historical and implied stock price volatility of the Company.

(2) Calculated by taking the annual dividend run-rate and dividing by the stock price at date of grant.

(3) Based on the U.S. Treasury yield curve.

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**11. NET INCOME (LOSS) PER SHARE**

The Company applies the two-class method for computing and presenting net income (loss) per share for each class of common stock, which allocates current period net income (loss) to each class of common stock and participating securities based on dividends declared and participation rights in the remaining undistributed earnings or losses.

Basic net income (loss) per share is computed by dividing the net income (loss) allocated to each class of common stock by the related weighted-average number of shares outstanding during the period. Diluted net income (loss) per share gives effect to all securities representing potential common shares that were dilutive and outstanding during the period for each class of common stock and excludes potentially dilutive securities whose effect would have been anti-dilutive.

**Common Stock**

Potential shares of Common Stock include (i) incremental shares related to the vesting or exercise of share-based compensation awards, warrants, and other options to purchase additional shares of the Company's Common Stock calculated using the treasury stock method and (ii) incremental shares of Common Stock issuable upon the conversion of Class B Common Stock. Additionally, the basic and diluted earnings per share computations for Common Stock exclude approximately 9 million unvested shares as their vesting is contingent upon achievement of certain performance requirements.

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<i>in thousands, except per share amounts</i>		
<b>Allocation of income (loss) from continuing operations - basic</b>	\$ 86,041	\$ ( 119,130 )
Dilutive effect	3,169	—
<b>Allocation of income (loss) from continuing operations - diluted</b>	<u><u>\$ 89,210</u></u>	<u><u>\$ ( 119,130 )</u></u>
 <b>Allocation of income (loss) from discontinued operations, net of tax - basic</b>	\$ 18	\$ 7,466
Dilutive effect	—	—
<b>Allocation of income (loss) from discontinued operations, net of tax - diluted</b>	<u><u>\$ 18</u></u>	<u><u>\$ 7,466</u></u>
 <b>Weighted-average shares outstanding - basic</b>	855,893	854,299
Dilutive effect <sup>(1)</sup>	62,501	—
<b>Weighted-average shares outstanding - diluted</b>	<u><u>918,394</u></u>	<u><u>854,299</u></u>
 <b>Income (loss) from continuing operations per share - basic</b>	\$ 0.10	\$ ( 0.14 )
<b>Income (loss) from continuing operations per share - diluted</b>	\$ 0.10	\$ ( 0.14 )
 <b>Income (loss) per share from discontinued operations, net of tax - basic</b>	\$ —	\$ 0.01
<b>Income (loss) per share from discontinued operations, net of tax - diluted</b>	\$ —	\$ 0.01

(1) During the three months ended March 31, 2024, 17 million shares of Common Stock that would be dilutive were excluded from the diluted earnings per share calculations because their effects would have been anti-dilutive.

During the three months ended March 31, 2023, all potential shares of Common Stock that would be dilutive were excluded from the diluted earnings per share calculations because their effects would have been anti-dilutive.

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**Class B Common Stock**

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<i>in thousands, except per share amounts</i>		
<b>Allocation of net income (loss) from continuing operations - basic</b>	\$ 5,491	\$ (7,651)
Dilutive effect	(158)	—
<b>Allocation of net income (loss) from continuing operations - diluted</b>	<u><u>\$ 5,333</u></u>	<u><u>\$ (7,651)</u></u>
 <b>Allocation of income (loss) from discontinued operations, net of tax - basic</b>	 \$ 1	 \$ 478
Dilutive effect	—	—
<b>Allocation of income (loss) from discontinued operations, net of tax - diluted</b>	<u><u>\$ 1</u></u>	<u><u>\$ 478</u></u>
 <b>Weighted-average shares outstanding - basic</b>	 54,745	 54,745
Dilutive effect <sup>(1)</sup>	—	—
<b>Weighted-average shares outstanding - diluted</b>	<u><u>54,745</u></u>	<u><u>54,745</u></u>
 <b>Net income (loss) from continuing operations per share - basic</b>	 \$ 0.10	 \$ (0.14)
<b>Net income (loss) from continuing operations per share - diluted</b>	<u><u>\$ 0.10</u></u>	<u><u>\$ (0.14)</u></u>
 <b>Income (loss) per share from discontinued operations, net of tax - basic</b>	 \$ —	 \$ 0.01
<b>Income (loss) per share from discontinued operations, net of tax - diluted</b>	<u><u>\$ —</u></u>	<u><u>\$ 0.01</u></u>

(1) There were no potential shares of Class B Common Stock during the periods presented.

**12. COMMITMENTS AND CONTINGENCIES**

**Contractual Obligations**

There have been no significant changes to the Company's contractual obligations as compared to December 31, 2023, except as discussed below:

**Google Commercial Agreement**

In July 2020, the Company and Google entered into a Master Supply, Distribution, and Marketing Agreement (the "Google Commercial Agreement"), pursuant to which Google has agreed to supply the Company with certain Google devices as well as certain Google video and analytics services ("Google Devices and Services"), for sale to the Company's customers.

The Google Commercial Agreement also specifies that each party shall contribute \$ 150 million toward joint marketing, customer acquisition, training of the Company's employees, and product technology updates related to the Google Devices and Services. In August 2022, the Company and Google executed an amendment to the Google Commercial Agreement, pursuant to which Google has agreed to commit an additional \$ 150 million to fund growth, data and insights, product innovation and technology advancements, customer acquisition, and marketing, as mutually agreed by the Company and Google, (together with the initial amounts, the "Google Success Funds").

During the three months ended March 31, 2024 and 2023, \$ 7.4 million and \$ 12.5 million, respectively, of the Google Success Funds were approved for reimbursement to the Company for certain joint marketing and customer acquisition expenses incurred by the Company.

**Google Cloud Agreement Addendum**

In December 2023, the Company and Google entered into an addendum to the Company's existing agreement with Google for using Google cloud services (the "Google Cloud Agreement Addendum"), pursuant to which Google has agreed to provide certain credits, discounts, and other incentives for use of the Google Cloud Platform to the Company, and the Company has committed to purchasing \$ 200 million of Google Cloud Platform services over seven years (through December 2030), with

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\$ 35 million in the first two years, \$ 65 million in the next two years after that, and \$ 100 million in the last three years of the commitment. The Company may elect to cancel the commitment in return for a cancellation fee of 30 % of the total remaining commitment amount and loss of any discounts, remaining credits, or other incentives provided under the Google Cloud Agreement Addendum.

During the three months ended March 31, 2024, the Company made purchases toward this commitment of \$ 5 million.

***Other Commitments***

During the fourth quarter of 2023, the Company entered into an agreement with one of its vendors to purchase at least \$ 190 million of security system equipment and components through March 2025. This commitment is also satisfied through purchases made by the Company's dealer network. During the three months ended March 31, 2024, purchases toward this commitment were \$ 43 million.

**Guarantees**

In the normal course of business, the Company is liable for contract completion and product performance. As of March 31, 2024 and December 31, 2023, the Company's guarantees primarily relate to standby letters of credit related to its insurance programs and totaled \$ 78 million for both periods, respectively. The Company does not believe such obligations will materially affect its financial position, results of operations, or cash flows.

**Legal Proceedings**

The Company is subject to various claims and lawsuits in the ordinary course of business, which include among other things commercial general liability claims, automobile liability claims, contractual disputes, worker's compensation claims, labor law and employment claims, claims that the Company infringed on the intellectual property of others, and consumer and employment class actions. The Company is also subject to regulatory and governmental examinations, information requests and subpoenas, inquiries, investigations, and threatened legal actions and proceedings. In connection with such formal and informal inquiries, the Company receives numerous requests, subpoenas, and orders for documents, testimony, and information in connection with various aspects of its activities. There have been no material changes to these matters from those disclosed in the 2023 Annual Report.

The Company records accruals for losses that are probable and reasonably estimable. These accruals are based on a variety of factors such as judgment, probability of loss, opinions of internal and external legal counsel, and actuarially determined estimates of claims incurred but not yet reported based upon historical claims experience. Legal costs in connection with claims and lawsuits in the ordinary course of business are expensed as incurred. Additionally, the Company records insurance recovery receivables from third-party insurers when recovery has been determined to be probable. The Company has not accrued for any losses for which the likelihood of loss cannot be assessed, is less than probable, or the range of possible loss cannot be estimated.

As of March 31, 2024 and December 31, 2023, the Company's accrual for ongoing claims and lawsuits within the scope of an insurance program totaled \$ 104 million and \$ 110 million, respectively. The Company's accrual related to ongoing claims and lawsuits not within the scope of an insurance program is not material.

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**13. LEASES**

**Company as Lessee**

As part of normal operations, the Company leases real estate, vehicles, and equipment.

**Right-of-Use Assets and Lease Liabilities**

			March 31, 2024	December 31, 2023
<i>(in thousands)</i>				
<b>Presentation and Classification:</b>				
Operating	Current	Prepaid expenses and other current assets	\$ 71	\$ 75
Operating	Non-current	Other assets	82,447	91,725
Finance	Non-current	Property and equipment, net <sup>(1)</sup>	75,001	82,803
<b>Total right-of-use assets</b>			<u>\$ 157,519</u>	<u>\$ 174,603</u>
Operating	Current	Accrued expenses and other current liabilities	\$ 16,672	\$ 15,979
Finance	Current	Current maturities of long-term debt	28,893	33,934
Operating	Non-current	Other liabilities	81,028	84,695
Finance	Non-current	Long-term debt	51,543	53,227
<b>Total lease liabilities</b>			<u>\$ 178,136</u>	<u>\$ 187,835</u>

(1) Finance right-of-use assets are recorded net of accumulated depreciation, which was approximately \$ 57 million and \$ 60 million as of March 31, 2024 and December 31, 2023, respectively.

**Lease Cost**

			Three Months Ended March 31,	
			2024	2023
Operating lease cost			\$ 6,728	\$ 8,102
Finance lease cost:				
Amortization of right-of-use assets			5,281	5,210
Interest on lease liabilities			1,205	726
Variable lease costs			7,744	14,209
<b>Total lease cost</b>			<u>\$ 20,958</u>	<u>\$ 28,247</u>

**Right-of-Use Assets Obtained in Exchange for Lease Obligations**<sup>(1)</sup>

			Three Months Ended March 31,	
			2024	2023
Operating leases			\$ 3,061	\$ 2,332
Finance leases			\$ 10,403	\$ 9,222

(1) Includes both continuing and discontinued operations.

**Company as Lessor**

The Company is a lessor in certain Company-owned transactions as the Company has identified a lease component associated with the right-of-use of the security system and a non-lease component associated with the monitoring and related services.

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For transactions in which (i) the timing and pattern of transfer is the same for the lease and non-lease components and (ii) the lease component would be classified as an operating lease if accounted for separately, the Company applies the practical expedient to aggregate the lease and non-lease components and accounts for the combined transaction based upon its predominant characteristic, which is the non-lease component. The Company accounts for the combined component as a single performance obligation under the applicable revenue guidance and recognizes the underlying assets within subscriber system assets, net.

#### **14. RELATED PARTY TRANSACTIONS**

The Company's related party transactions primarily relate to products and services received from, or monitoring and related services provided to, other entities affiliated with Apollo, and, from time to time, management, consulting, and transaction advisory services provided by Apollo to the Company, as well as transactions between the Company and State Farm. There were no notable related party transactions during the periods presented other than as described below.

##### **Apollo**

###### ***Offering and Share Repurchase***

On March 6, 2024, the Company and certain entities managed by affiliates of Apollo Global Management, Inc. (the "Selling Stockholders") entered into an underwriting agreement (the "Underwriting Agreement") with Morgan Stanley & Co. LLC and Barclays Capital Inc., as representatives of the underwriters named therein, including Apollo Global Securities, LLC, an affiliate of Apollo (collectively, the "Underwriters"), in connection with the offer and sale by the Selling Stockholders (the "Offering") of 65 million shares of the Company's Common Stock, and, at the option of the Underwriters, up to an additional 9.75 million shares of Common Stock (the "Underwriters' Option").

As part of the Offering, the Company purchased 15 million shares of Common Stock under its Share Repurchase Plan from the Underwriters (the "Share Repurchase"). The Company paid approximately \$ 93 million (or approximately \$ 6.22 per share) for the Share Repurchase, which was the same per share price paid by the Underwriters to the Selling Stockholders. The repurchase is reflected as a reduction to additional paid-in-capital and as a financing cash outflow.

The Offering and the Share Repurchase closed on March 11, 2024. On March 15, 2024, the Underwriters exercised the Underwriters' Option in full, which subsequently closed on March 19, 2024. The Company did not pay any underwriting fees in connection with the Share Repurchase, including on behalf of the Selling Stockholders or otherwise.

All the shares in the Offering were sold by the Selling Stockholders. The Company did not receive any of the proceeds from the sale of shares by the Selling Stockholders in the Offering.

##### **Other**

During the three months ended March 31, 2023, the Company incurred fees to Apollo of \$ 1 million related to Apollo's performance of placement agent services related to the initial funding of the Term Loan A Facility.

##### **State Farm**

State Farm owns approximately 15 % of the Company's issued and outstanding common stock, and as a result, is a related party.

In October 2022, the Company, ADT LLC (an indirect wholly owned subsidiary of the Company), and State Farm entered into a development agreement (the "State Farm Development Agreement") in connection with State Farm's strategic investment in ADT. Pursuant to the State Farm Development Agreement, State Farm committed up to \$ 300 million to fund certain initiatives as agreed to between the Company and State Farm related to the partnership (the "Opportunity Fund"), of which the Company has received \$ 100 million. Amounts held by the Company in the Opportunity Fund will be restricted until the Company uses the funds, as agreed upon with State Farm, in accordance with the State Farm Development Agreement.

As of March 31, 2024 and December 31, 2023, the balance in the portion of the Opportunity Fund held by the Company was \$ 92 million and \$ 94 million, respectively.

During the three months ended March 31, 2024 and 2023, the Company made payments from the Opportunity Fund of \$ 3 million and \$ 2 million, respectively. Interest earned on the Opportunity Fund was not material.

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**Sunlight Financial LLC**

ADT Solar used Sunlight Financial LLC ("Sunlight"), an entity previously affiliated with Apollo, to access certain loan products for ADT Solar customers. As of December 2023, Sunlight was no longer affiliated with Apollo, and as a result, was no longer a related party.

During the three months ended March 31, 2023, total loans funded by Sunlight were \$ 45 million, and the Company incurred financing fees of \$ 6 million.

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

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### INTRODUCTION

The following discussion and analysis contains forward-looking statements about our business, operations, and financial performance based on current plans and estimates that involve risks, uncertainties, and assumptions, which could differ materially from actual results. Factors that could cause such differences are discussed in the sections of this Quarterly Report on Form 10-Q titled "Cautionary Statements Regarding Forward-Looking Statements" and Item 1A "Risk Factors."

To obtain a more comprehensive understanding of our financial condition, changes in financial condition, and results of operations, the following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and the related notes included in our 2023 Annual Report.

### BUSINESS AND BASIS OF PRESENTATION

#### Our Business

ADT (or "we," "our," and "us"), provides security, interactive, and smart home solutions to consumer and small business customers in the U.S.

As of March 31, 2024, we served approximately 6.4 million security monitoring service subscribers.

Our mission is to empower people to protect and connect what matters most with safe, smart, and sustainable solutions, delivered through innovative offerings, unrivaled safety, and a premium experience because we believe that everyone deserves to feel safe.

#### Basis of Presentation

We report financial and operating information for our two segments: CSB and Solar. All financial information presented in this section has been prepared in U.S. dollars in accordance with GAAP, excluding our non-GAAP measures, and includes the accounts of ADT Inc. and its wholly-owned subsidiaries. All intercompany transactions have been eliminated.

#### Business Updates

##### *ADT Solar Exit*

On January 19, 2024, after a strategic review of the business and continued macroeconomic and industry pressures, our Board of Directors approved a plan to fully exit the residential solar business. The Company discontinued all sales and marketing activities during the first quarter and expects to discontinue substantially all field operations by the end of the second quarter.

During the three months ended March 31, 2024, we incurred aggregate charges of \$75 million, related to (a) employee separation costs of \$11 million, (b) long-lived asset impairments and write-off of deferred implementation costs associated with cloud computing arrangements of \$20 million, (c) contract termination charges of \$5 million, (d) the write-down and disposition of inventory on hand of \$15 million, and (e) other charges of \$24 million primarily related to charges associated with the disposition of the existing installation pipeline.

We expect to incur up to approximately an additional \$35 million associated with the ADT Solar Exit.

Additionally, during the three months ended March 31, 2024, we paid \$11 million, and we expect to spend an additional \$40 million - \$60 million, associated with the ADT Solar Exit.

The estimated charges and cash expenditures resulting from these actions could change materially, and we may incur additional charges and cash expenditures due to various factors including unknown or unforeseen costs as part of these actions.

#### ***Commercial Divestiture***

As discussed in Note 1 "Description of Business and Summary of Significant Accounting Policies" and Note 4 "Divestitures," we divested our Commercial Business during the fourth quarter of 2023. The results of the Commercial Business are classified as a discontinued operation in the Company's Condensed Consolidated Statements of Operations for the historical periods presented. Additionally, for periods prior to the Commercial Divestiture, the cash flows and comprehensive income (loss) of the Commercial Business have not been segregated and are included in the Condensed Consolidated Statements of Cash Flows and Condensed Consolidated Statements of Comprehensive Income (Loss), respectively, for any period presented prior to the Commercial Divestiture.

The Company's reported operating metrics, gross customer revenue attrition and recurring monthly revenue (as defined and discussed below), have been recast for any period prior to the sale to reflect only the CSB segment.

Income received in connection with the Commercial TSA is recognized in other income (expense), and the expenses incurred by the Company to support the transition are recorded based on the nature of the expense.

During 2023, we utilized a significant portion of our net operating losses ("NOLs") to offset the gain generated from the sale of the Commercial Business. As of December 31, 2023, we disclosed that we expect to utilize our remaining NOLs during 2024. The Company expects to become a federal cash taxpayer in 2024 or 2025 depending on future losses generated by the business, specifically with regard to the ADT Solar Exit.

Unless otherwise noted, our results of operations discussed below relate to continuing operations and may be impacted by the Commercial Divestiture.

#### **FACTORS AFFECTING OPERATING RESULTS**

The factors described herein could have a material adverse effect on our business, financial condition, results of operations, cash flows, and key performance indicators.

Generally, a significant upfront investment is required to acquire new CSB subscribers that in turn provide ongoing and predictable recurring revenue generated from our monitoring services and other subscriber-based offerings. Although the economics of an installation may vary depending on the customer type, acquisition channel, and product offering, we generally achieve revenue break-even in approximately two years.

New customer additions and customer attrition have a direct impact on our financial results, including revenue, operating income, and cash flows. A portion of our recurring customer base can be expected to cancel its service each year as customers may choose to terminate or not to renew their contracts for a variety of reasons, including relocation, cost, loss to competition, or service issues. Relocations are sensitive to changes in the residential housing market, and fewer relocations generally lead to improvements in gross customer revenue attrition, but fewer new customer additions. Additionally, non-payment disconnects generally increase in a weaker macroeconomic environment. We have been experiencing fewer relocation disconnects and higher non-pay disconnects largely related to housing market conditions and the weaker macroeconomic environment. We may continue to experience fluctuations in these or other trends in the future as changes in the general macroeconomic environment or housing market develop.

Our CSB results are impacted by the mix of transactions under a Company-owned equipment model versus a customer-owned equipment model (referred to as outright sales), as there are different accounting treatments applicable to each model, as well as the mix, price, and type of offerings sold. As we continue to build our partnership with Google, introduce new or enhance our current offerings, and refine our go-to-market approach, we expect to see a shift toward an increasing proportion of outright sales transactions, which will impact results in future periods when those changes occur. We have experienced, and we expect to continue to experience, an increase in the proportion of ADT self set-up customers, which are considered outright sales and typically have lower monthly recurring fees than our professional installations but we believe will allow us to grow our subscriber base through access to the fast-growing do-it-yourself ("DIY") market.

We may experience an increase in costs associated with factors such as (i) offering a wider variety of products and services; (ii) providing a greater mix of interactive and smart home solutions; (iii) replacing or upgrading certain system components or technology due to technological advancements, cybersecurity upgrades, or otherwise; (iv) supply chain disruptions; (v) inflationary pressures on costs such as materials, labor, and fuel; and (vi) other changes in prices, interest rates, or terms from our suppliers, vendors, or third-party lenders.

As part of our response to changes or pressures in the current macroeconomic environment, we have been evaluating, and continue to evaluate, cost-saving opportunities such as reducing headcount or our physical facilities footprint when appropriate, and reducing non-essential spend. While we have experienced some increase in costs as a result of inflation, we have, for the most part, been able to offset the rising costs through price increases to our customers, as well as cost-saving opportunities.

#### **KEY PERFORMANCE INDICATORS**

We evaluate our results using certain key performance indicators, including operating metrics such as recurring monthly revenue ("RMR") and gross customer revenue attrition, as well as the non-GAAP measure Adjusted EBITDA. Computations of our key performance indicators may not be comparable to other similarly titled measures reported by other companies.

Certain operating metrics are approximated, as there may be variations to reported results due to certain adjustments we might make in connection with the integration over several periods of acquired companies that calculated these metrics differently or periodic reassessments and refinements in the ordinary course of business, including changes due to system conversions or historical methodology differences in legacy systems.

#### **RMR**

RMR is generated by contractual recurring fees for monitoring and other recurring services provided to our CSB customers, including contracts monitored but not owned.

We use RMR to evaluate our overall sales, installation, and retention performance. Additionally, we believe the presentation of RMR is useful to investors because it measures the volume of revenue under contract at a given point in time, which is useful for forecasting future revenue performance as the majority of our revenue comes from recurring sources.

#### **Gross Customer Revenue Attrition**

Gross customer revenue attrition for our CSB segment is defined as RMR lost as a result of customer attrition, net of dealer charge-backs and reinstated customers, excluding contracts monitored but not owned and self-setup/DIY customers. Customer sites are considered canceled when all services are terminated. Dealer charge-backs represent customer cancellations charged back to the dealers because the customer canceled service during the charge-back period, which is generally thirteen months.

Gross customer revenue attrition is calculated on a trailing twelve-month basis, the numerator of which is the RMR lost during the period due to attrition, net of dealer charge-backs and reinstated customers, and the denominator of which is total annualized RMR based on an average of RMR under contract at the beginning of each month during the period, in each case, excluding contracts monitored but not owned and self-setup/DIY customers.

We use gross customer revenue attrition to evaluate our CSB retention and customer satisfaction performance, as well as evaluate subscriber trends by vintage year. Additionally, we believe the presentation of gross customer revenue attrition is useful to investors as it provides a means to evaluate drivers of customer attrition and the impact of retention initiatives.

#### **Adjusted EBITDA**

Adjusted EBITDA is a non-GAAP measure. Our definition of Adjusted EBITDA, a reconciliation of Adjusted EBITDA to income (loss) from continuing operations (the most comparable GAAP measure), and additional information, including a description of the limitations relating to the use of Adjusted EBITDA, are provided under "—Non-GAAP Measures."

## RESULTS OF OPERATIONS

	Three Months Ended March 31,		
(in thousands, except as otherwise indicated)	2024	2023	\$ Change
<b>Revenue:</b>			
Monitoring and related services	\$ 1,062,652	\$ 1,028,634	\$ 34,018
Security installation, product, and other	127,020	103,842	23,178
Solar installation, product, and other	19,639	144,835	(125,196)
<b>Total revenue</b>	<b>1,209,311</b>	<b>1,277,311</b>	<b>(68,000)</b>
<b>Cost of revenue (exclusive of depreciation and amortization shown separately below)</b>			
Monitoring and related services	154,713	161,788	(7,075)
Security installation, product, and other	39,592	29,836	9,756
Solar installation, product, and other	41,522	98,344	(56,822)
<b>Total cost of revenue</b>	<b>235,827</b>	<b>289,968</b>	<b>(54,141)</b>
<b>Selling, general, and administrative expenses</b>	<b>398,453</b>	<b>393,374</b>	<b>5,079</b>
Depreciation and intangible asset amortization	334,353	362,351	(27,998)
Merger, restructuring, integration, and other	45,182	15,537	29,645
Goodwill impairment	—	241,630	(241,630)
<b>Operating income (loss)</b>	<b>195,496</b>	<b>(25,549)</b>	<b>221,045</b>
Interest expense, net	(88,931)	(171,302)	82,371
Other income (expense)	15,622	(1,190)	16,812
<b>Income (loss) from continuing operations before income taxes and equity in net earnings (losses) of equity method investee</b>	<b>122,187</b>	<b>(198,041)</b>	<b>320,228</b>
Income tax benefit (expense)	(30,655)	73,937	(104,592)
<b>Income (loss) from continuing operations before equity in net earnings (losses) of equity method investee</b>	<b>91,532</b>	<b>(124,104)</b>	<b>215,636</b>
Equity in net earnings (losses) of equity method investee	—	(2,677)	2,677
<b>Income (loss) from continuing operations</b>	<b>91,532</b>	<b>(126,781)</b>	<b>218,313</b>
Income (loss) from discontinued operations, net of tax	19	7,944	(7,925)
<b>Net income (loss)</b>	<b>\$ 91,551</b>	<b>\$ (118,837)</b>	<b>\$ 210,388</b>
<b>Key Performance Indicators:<sup>(1)</sup></b>			
RMR	\$ 353,274	\$ 344,417	\$ 8,857
Gross customer revenue attrition (percent)	13.1%	12.9%	N/A*
Adjusted EBITDA <sup>(2)</sup>	\$ 614,190	\$ 579,486	\$ 34,704

(1) Refer to the “—Key Performance Indicators” section for the definitions of these key performance indicators.

(2) Adjusted EBITDA is a non-GAAP measure. Refer to the “—Non-GAAP Measures” section for the definition of this term and a reconciliation to the most comparable GAAP measure.

\*N/A — Not applicable.

### Revenue

Revenue, as compared to the prior period, primarily reflects:

- CSB Monitoring and related services (“M&S Revenue”):** higher recurring revenue of \$34 million primarily driven by an increase in average prices.
- CSB Security installation, product, and other:** (i) an increase in the amortization of deferred subscriber acquisition revenue of \$14 million associated with customers under a Company-owned model, as well as (ii) an increase in installation revenue of \$9 million primarily driven by a higher volume of outright sales transactions and higher installation revenue per unit associated with new customers under the outright sales transaction model.
- Solar installation, product, and other:** fewer sales and installations as a result of the ADT Solar Exit.

The increase in RMR, as compared to the prior period, was primarily driven by an increase in average prices on new and existing subscribers.

Gross customer revenue attrition, as compared to the prior period, increased primarily due to higher non-payment disconnects partially offset by a decrease in relocations.

#### **Cost of Revenue**

Cost of revenue, as compared to the prior period, primarily reflects:

- **CSB:** an increase in installation costs due to a higher volume of outright sales transactions partially offset by a decrease in monitoring and related service costs due to a lower volume of in-person service tickets as a result of our Virtual Assistance Program.
- **Solar:** a decrease in installation costs primarily due to fewer sales and installations as a result of the ADT Solar Exit, including \$21 million primarily associated with the write-down and disposition of inventory.

#### **Selling, General, and Administrative Expenses**

During the three months ended March 31, 2024, the increase in SG&A, as compared to the prior period, was primarily driven by:

- an increase of \$13 million in CSB selling costs primarily related to the amortization of deferred subscriber acquisition costs and commissions and
- an increase of \$11 million in the CSB allowance for credit losses primarily related to residential customers, partially offset by
- a decrease in Solar of \$18 million, which includes a decrease associated with reduced operations offset by impairment charges associated with the ADT Solar Exit.

#### **Depreciation and Intangible Asset Amortization**

During the three months ended March 31, 2024, the decrease in depreciation and intangible asset amortization, as compared to the prior period, was primarily driven by a decrease in the amortization of customer relationship intangible assets of \$32 million primarily related to certain assets acquired as part of the acquisition of The ADT Security Corporation in 2016, partially offset by an increase in the amortization of acquired customer contracts of \$7 million.

#### **Merger, restructuring, integration, and other**

During the three months ended March 31, 2024, merger, restructuring, integration, and other primarily includes asset impairments and other write-offs, employee separation costs, and other charges associated with the ADT Solar Exit. Refer to Note 4 "Divestitures" for additional information.

During the three months ended March 31, 2023, merger, restructuring, integration, and other primarily includes restructuring costs primarily related to certain facility exits, as well as integration and third-party costs related to the strategic optimization of our Solar business operations following the acquisition of ADT Solar.

#### **Goodwill Impairment**

During the three months ended March 31, 2024, we did not record any goodwill impairment charges.

During the three months ended March 31, 2023, we recorded goodwill impairment charges associated with our Solar reporting unit of \$242 million as a result of then current macroeconomic conditions, including the impact of rising interest rates and financial market conditions on the Company's third-party lenders and customer demand, as well as ADT Solar's underperformance of operating results in the first quarter of 2023 relative to expectations.

#### **Interest Expense, Net**

During the three months ended March 31, 2024, the decrease in interest expense, net, as compared to the prior year period, was primarily driven by (i) an increase in unrealized gains (losses) of \$49 million on our interest rate swaps and (ii) lower interest expense primarily related to lower principal amounts outstanding on our First Lien Term Loan due 2030 and our ADT Notes due 2024.

#### **Other Income (Expense)**

During the three months ended March 31, 2024, the increase in other income (expense), as compared to the prior period, was primarily due to income received under the Commercial TSA.

#### **Income Tax Benefit (Expense)**

During the three months ended March 31, 2024, income tax expense impacted our annual effective tax rate primarily as a result of the federal statutory rate of 21.0%, a state tax rate, net of federal benefits of 5.5%, partially offset by a favorable impact of 2.1% related to a decrease in unrecognized tax benefits related to prior years.

During the three months ended March 31, 2023 income tax benefit impacted our annual effective tax rate primarily as a result of the federal statutory tax rate of 21.0%, a state tax rate, net of federal benefits, of 8.9% and unfavorable impacts of 5.6% related to the Solar goodwill impairment, partially offset by favorable impacts of 5.0% from federal tax credits.

Refer to Note 8 "Income Taxes" for details on our effective tax rate.

#### **Deferred Tax Assets**

We have a significant amount of deferred tax assets, against which we take valuation allowances that relate to the uncertainty of our ability to utilize these deferred tax assets in future periods. We review periodically those matters that can influence our decision as to whether or not a valuation allowance is appropriate. Among those matters considered are pending and enacted legislation. We will consider each quarter whether any developments to such legislation, together with the other factors we consider, require a valuation allowance.

We believe that our deferred tax assets for disallowed interest under Internal Revenue Code ("IRC") Section 163(j) will continue to grow from their current level. There is currently significant uncertainty in the matters we consider when determining whether it is appropriate to take additional valuation allowances. While we have not reported any material changes to our valuation allowances since our 2023 Annual Report, we may determine to do so in subsequent periods. Any material change to our valuation allowance would materially and adversely affect our operating results and may result in a net loss position for any given period.

#### **NON-GAAP MEASURES**

To provide investors with additional information in connection with our results as determined in accordance with GAAP, we disclose Adjusted EBITDA as a non-GAAP measure. This measure is not a financial measure calculated in accordance with GAAP, and it should not be considered as a substitute for net income, operating income, or any other measure calculated in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies.

#### **Adjusted EBITDA**

We believe Adjusted EBITDA is useful to investors to measure the operational strength and performance of our business. We believe the presentation of Adjusted EBITDA is useful as it provides investors additional information about our operating profitability adjusted for certain non-cash items, non-routine items we do not expect to continue at the same level in the future, as well as other items not core to our operations. Further, we believe Adjusted EBITDA provides a meaningful measure of operating profitability because we use it for evaluating our business performance, making budgeting decisions, and comparing our performance against other peer companies using similar measures.

We define Adjusted EBITDA as income (loss) from continuing operations adjusted for (i) interest; (ii) taxes; (iii) depreciation and amortization, including depreciation of subscriber system assets and other fixed assets and amortization of dealer and other intangible assets; (iv) amortization of deferred costs and deferred revenue associated with subscriber acquisitions; (v) share-based compensation expense; (vi) merger, restructuring, integration, and other items; (vii) impairment charges; and (viii) non-cash, non-routine, or other adjustments or charges not necessary to operate our business.

There are material limitations to using Adjusted EBITDA as it does not include certain significant items, including interest, taxes, depreciation and amortization, and other adjustments which directly affect our income (loss) from continuing operations (the most comparable GAAP measure). These limitations are best addressed by considering the economic effects of the excluded items independently and by considering Adjusted EBITDA in conjunction with income (loss) from continuing operations as calculated in accordance with GAAP.

The table below reconciles Adjusted EBITDA to income (loss) from continuing operations:

(in thousands)	Three Months Ended March 31,		
	2024	2023	\$ Change
<b>Income (loss) from continuing operations</b>	\$ 91,532	\$ (126,781)	\$ 218,313
Interest expense, net	88,931	171,302	(82,371)
Income tax expense (benefit)	30,655	(73,937)	104,592
Depreciation and intangible asset amortization	334,353	362,351	(27,998)
Amortization of deferred subscriber acquisition costs	54,605	44,232	10,373
Amortization of deferred subscriber acquisition revenue	(83,376)	(69,698)	(13,678)
Share-based compensation expense	7,971	12,774	(4,803)
Merger, restructuring, integration, and other <sup>(1)</sup>	45,182	15,537	29,645
Goodwill impairment <sup>(2)</sup>	—	241,630	(241,630)
Other solar exits costs <sup>(3)</sup>	38,370	—	38,370
Other, net <sup>(4)</sup>	5,967	2,076	3,891
<b>Adjusted EBITDA (from continuing operations)</b>	<u>\$ 614,190</u>	<u>\$ 579,486</u>	<u>\$ 34,704</u>

(1) During 2024, primarily includes \$37 million of charges related to asset impairments and other write-offs, employee separation costs, and other charges related to the ADT Solar Exit (Refer to Note 4 "Divestitures"). During 2023, primarily includes restructuring costs primarily related to certain facility exits, as well as integration and third-party costs related to the strategic optimization of the solar business operations following the ADT Solar acquisition.

(2) Represents impairment charges associated with our Solar reporting unit. Refer to Note 5 "Goodwill and Other Intangible Assets."

(3) Includes other costs associated with the ADT Solar Exit, including charges of \$19 million primarily associated with the disposition of the existing installation pipeline and \$15 million associated with the write-down and disposition of inventory on hand. Refer to Note 4 "Divestitures."

(4) During 2024, primarily includes unrealized (gains) / losses on interest rate swaps presented within other income (expense). Refer to Note 7 "Derivative Financial Instruments."

Adjusted EBITDA in total and by segment are set forth below. As noted above, Adjusted EBITDA is our segment profit measure pursuant to GAAP and is therefore not a non-GAAP financial measure with respect to our segments.

(in thousands)	Three Months Ended March 31,		
	2024	2023	\$ Change
CSB	\$ 637,691	\$ 590,031	\$ 47,660
Solar	(23,501)	(10,545)	(12,956)
<b>Adjusted EBITDA (from continuing operations)</b>	<u>\$ 614,190</u>	<u>\$ 579,486</u>	<u>\$ 34,704</u>

The factors listed below exclude amounts that are outside of our definition of Adjusted EBITDA. Refer to the discussions above under "—Results of Operations" for further details.

**CSB:**

During the three months ended March 31, 2024, the increase, as compared to the prior period, was primarily due to:

- higher M&S Revenue, net of the associated costs, of \$43 million,
- higher other income of \$20 million, including TSA income, partially offset by
- higher selling, general, and administrative expenses, excluding commissions, of \$15 million, including higher provision for credit losses.

**Solar:**

During the three months ended March 31, 2024, respectively, the decrease, as compared to the prior period, was primarily due to:

- lower installation revenue, net of the associated costs and commissions, of \$36 million, partially offset by
- lower selling, general and administrative expenses, excluding commissions, of \$22 million.

## LIQUIDITY AND CAPITAL RESOURCES

Liquidity and capital resources primarily consisted of the following:

(in thousands)	March 31, 2024
Cash and cash equivalents	\$ 4,041
Restricted cash and restricted cash equivalents	\$ 114,655
Availability under First Lien Revolving Credit Facility	\$ 525,000
Uncommitted available borrowing capacity under 2020 Receivables Facility	\$ 56,070
Carrying amount of total debt outstanding, including finance leases	\$ 7,888,948

### Liquidity

We expect our ongoing sources of liquidity to include cash generated from operations, borrowings under our credit facilities, and the issuance of equity and/or debt securities as appropriate given market conditions. Our future cash needs are expected to include cash for operating activities including working capital, principal and interest payments on our debt, capital expenditures, potential dividend payments to our stockholders, potential share repurchases under our Share Repurchase Plan, and from time to time, strategic investments or other initiatives that we may undertake.

We are a highly leveraged company with significant debt service requirements and have both fixed-rate and variable-rate debt. We may periodically seek to repay, redeem, repurchase, or refinance our indebtedness, or seek to retire or purchase our outstanding securities through cash purchases in the open market, privately negotiated transactions, a 10b5-1 repurchase plan, or otherwise, and any such transactions may involve material amounts. Cash outflows for interest payments are not consistent between quarters, with larger outflows occurring in the first and third quarters, and may vary as a result of our variable rate debt.

We believe our cash position, available borrowing capacity under our credit agreements, and cash provided by operating activities are, and will continue to be, adequate to meet our operational and business needs in the next twelve months, as well as our long-term liquidity needs.

### Material Cash Requirements

There have been no significant changes to our material cash requirements, commitments and contingencies, or off-balance sheet arrangements from those disclosed in our 2023 Annual Report, except as discussed below.

### Share Repurchase Plan

On January 24, 2024, the Company's Board of Directors announced the Share Repurchase Plan (the "Share Repurchase Plan"), pursuant to which the Company is authorized to repurchase, through January 29, 2025, up to a maximum aggregate amount of \$350 million of shares of the Company's Common Stock under the Share Repurchase Plan. As of March 31, 2024, we have approximately \$257 million remaining under the Share Repurchase Plan.

### ADT Solar Exit

During the three months ended March 31, 2024, we paid \$11 million, and we expect to spend an additional \$40 million - \$60 million, associated with the ADT Solar Exit

### Other Contractual Obligations

As discussed in Note 12 "Commitments and Contingencies," during the three months ended March 31, 2024, we made purchases toward our commitment under the Google Cloud Agreement of \$5 million.

In addition, during the three months ended March 31, 2024, purchases toward our commitment to one of our vendors to purchase at least \$190 million of security system equipment and components were \$43 million.

## **Long-Term Debt**

Significant changes and activity related to our long-term debt since our 2023 Annual Report are discussed below. Refer to Note 6 "Debt" for further discussion on our debt agreements and activity.

### **First Lien Credit Agreement**

During the three months ended March 31, 2024, we borrowed \$95 million and repaid \$45 million under the First Lien Revolving Credit Facility.

In April 2024, we amended and restated the First Lien Credit Agreement, which reduced the interest rate on our First Lien Term Loan B due 2030 from Term SOFR +2.50% to Term SOFR +2.25%.

### **First Lien Notes due 2024 Redemption**

In April 2024, we redeemed the remaining outstanding principal balance of \$100 million of our First Lien Notes due 2024, excluding accrued and unpaid interest, using proceeds from the First Lien Revolving Credit Facility.

### **2020 Receivables Facility**

In March 2024, we amended the agreement governing the 2020 Receivables Facility, pursuant to which the uncommitted revolving period was extended from March 2024 to April 2024.

As of March 31, 2024, the outstanding balance was \$444 million.

In April 2024, we amended the agreement governing the 2020 Receivables Facility, pursuant to which, among other things, the borrowing capacity was increased from \$500 million to \$550 million and the uncommitted revolving period was extended from April 2024 to April 2025.

### **Solar Receivables Facility**

On August 2, 2023, we entered into the Solar Receivables Facility Financing Agreement to finance receivables generated by the installation of residential solar systems, which, among other things, provides for an uncommitted revolving loan facility in the aggregate principal amount of up to \$300 million. As of March 31, 2024, we have not borrowed any amounts under the Solar Receivable Facility, and given the ADT Solar Exit, we do not expect to borrow any amounts under the Solar Receivables Facility. The Solar Receivables Facility's uncommitted revolving period will expire in August 2024, unless terminated beforehand.

### **Debt Covenants**

As of March 31, 2024, we were in compliance with all financial covenant and other maintenance tests for all our debt obligations. We do not believe there is a material risk of future noncompliance with our financial covenant and other maintenance tests.

### **Dividends**

During the three months ended March 31, 2024 and 2023, we declared aggregate dividends of \$47 million (\$0.055 per share) and \$30 million (\$0.035 per share) on our Common Stock, respectively, and \$3 million (\$0.055 per share) and \$2 million (\$0.035 per share) on our Class B Common Stock, respectively.

On April 25, 2024, we announced a dividend of \$0.055 per share to holders of Common Stock and Class B Common Stock of record on June 13, 2024, which will be paid on July 9, 2024.

## Cash Flow Analysis

The amounts and discussion below includes cash flows from both continuing operations and discontinued operations consistent with the presentation on the Statements of Cash Flows for periods prior to the Commercial Divestiture.

(in thousands)	Three Months Ended March 31,		
	2024	2023	\$ Change
<b>Net cash provided by (used in):</b>			
Operating activities	\$ 363,802	\$ 306,640	\$ 57,162
Investing activities	\$ (300,070)	\$ (336,040)	\$ 35,970
Financing activities	\$ (74,986)	\$ (40,628)	\$ (34,358)

### Cash Flows from Operating Activities

The increase in net cash provided by operating activities, as compared to the prior period, was primarily due to a decrease in cash interest of \$54 million primarily related to reduced principal balances on our First Lien Term Loan due 2030 and our ADT Notes due 2024 and lower payroll-related payments, partially offset by results of the Commercial Business included only in the prior period due to the Commercial Divestiture.

The remainder of the activity related to changes in assets and liabilities due to the volume and timing of other operating cash receipts and payments with respect to when the transactions are reflected in earnings. Refer to the discussions above under “—Results of Operations” for further details.

### Cash Flows from Investing Activities

The decrease in net cash used in investing activities, as compared to the prior period, was primarily due to:

- a decrease in subscriber system assets expenditures of \$19 million due to fewer adds and
- a decrease in purchases of property, plant, and equipment of \$19 million.

### Cash Flows from Financing Activities

The increase in net cash used in financing activities, as compared to the prior period, was primarily due to:

- share repurchases during the current period of \$93 million, partially offset by
- an increase in net borrowings on our long-term debt of \$46 million primarily related to our First Lien Revolving Credit Facility and
- an increase in proceeds from our interest rate swaps of \$8 million.

## CRITICAL ACCOUNTING ESTIMATES

We disclosed our critical accounting estimates in our 2023 Annual Report, which include estimates prepared in accordance with GAAP that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations.

Critical accounting estimates are based on, among other things, estimates, assumptions, and judgments made by management that include inherent risks and uncertainties. Our estimates are based on relevant information available at the end of each period. Actual results could differ materially from these estimates under different assumptions or market conditions.

There were no material changes in our critical accounting estimates since our 2023 Annual Report.

#### CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain information that may constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and are made in reliance on the safe harbor protections provided thereunder. While we have specifically identified certain information as being forward-looking in the context of its presentation, we caution you that all statements contained in this Form 10-Q that are not clearly historical in nature, including statements regarding the ADT Solar restructuring activities and our subsequent announcement related to the ADT Solar Exit; the Commercial Divestiture; the expected timetable for realizing expected benefits and synergies of the Commercial Divestiture; the strategic investment by and long term partnership with State Farm; anticipated financial performance, including the Company's ability to achieve its stated guidance metrics and its progress toward its medium-term targets; management's plans and objectives for future operations; the successful development, commercialization, and timing of new or joint products; the expected timing of product commercialization with State Farm or any changes thereto, including the ADT home security program for State Farm; business prospects; outcomes of regulatory proceedings; market conditions; our ability to deploy our business continuity and disaster plans and procedures to successfully respond to catastrophic events; our strategic partnership and ongoing relationship with Google; the expected timing of product commercialization with Google or any changes thereto; the successful internal development, commercialization, and timing of our next generation platform and innovative offerings; the successful conversion of customers who continue to utilize outdated technology; the current and future market size for existing, new, or joint products; any stated or implied outcomes with regards to the foregoing; and other matters. Any stated or implied outcomes with regards to the foregoing are forward-looking.

Without limiting the generality of the preceding sentences, any time we use the words " expects," "intends," "will," "anticipates," "believes," "confident," "continue," "propose," "seeks," "could," "may," "should," "estimates," "forecasts," "might," "goals," "objectives," "targets," "planned," "projects," and, in each case, their negative or other various or comparable terminology, and similar expressions, we intend to clearly express that the information deals with possible future events and is forward-looking in nature. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking.

However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. For ADT, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include, without limitation:

- our ability to effectively implement our strategic partnership with, commercialize products with, or utilize any of the amounts invested in us by State Farm or provided by State Farm for research and development or other purposes;
- our ability to keep pace with rapid technological changes, including the development of our next-generation platform, and industry changes;
- our ability to effectively implement our strategic partnership with or utilize any of the amounts invested in us by Google;
- the impact of supply chain disruptions;
- our ability to maintain and grow our existing customer base;
- our ability to sell our products and services or launch new products and services in highly competitive markets, including the home security and automation market and the solar market, and to achieve market acceptance with acceptable margins;
- our ability to successfully upgrade obsolete equipment installed at our customers' premises in an efficient and cost-effective manner;
- changes in law, economic and financial conditions, including tax law changes, changes to privacy requirements, changes to telemarketing, email marketing and similar consumer protection laws, interest volatility, and trade tariffs and restrictions applicable to the products we sell;
- any material changes to the valuation allowances we take with respect to our deferred tax assets;
- the impact of potential information technology, cybersecurity, or data security breaches;
- our dependence on third-party providers, suppliers, and dealers to enable us to produce and distribute our products and services in a cost-effective manner that protects our brand;
- our ability to successfully implement an equipment ownership model that best satisfies the needs of our customers and to successfully implement and maintain our receivables securitization financing agreement or similar arrangements;
- our ability to successfully pursue alternate business opportunities and strategies;
- our ability to integrate various companies we have acquired in an efficient and cost-effective manner;

- the amount and timing of our cash flows and earnings, which may be impacted by customer, competitive, supplier and other dynamics and conditions;
- our ability to maintain or improve margins through business efficiencies; and
- the other factors that are described under the heading "Risk Factors" in our last Annual Report on Form 10-K for the year ended December 31, 2023.

Forward-looking statements and information involve risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied in, or reasonably inferred from, such statements, including without limitation, the risks and uncertainties disclosed or referenced under the heading "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q and Part I, Item 1A in our 2023 Annual Report. Therefore, caution should be taken not to place undue reliance on any such forward-looking statements. Much of the information in this report that looks toward future performance is based on various factors and important assumptions about future events that may or may not actually occur. As a result, our operations and financial results in the future could differ materially and substantially from those we have discussed in the forward-looking statements included in this Quarterly Report on Form 10-Q. Any forward-looking statement made in this Quarterly Report on Form 10-Q speaks only as of the date on which it is made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments, or otherwise unless required by law.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

Our operations expose us to a variety of market risks, including the effects of changes in interest rates as we have both fixed-rate and variable-rate debt. We monitor and manage these financial exposures as an integral part of our overall risk management program. Our policies allow for the use of specified financial instruments for hedging purposes only. Use of derivatives for speculation purposes is prohibited.

There were no material changes in our interest rate risk exposure to that disclosed in our 2023 Annual Report.

### **ITEM 4. CONTROLS AND PROCEDURES.**

#### **Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2024, our disclosure controls and procedures were effective at a reasonable assurance level in ensuring information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

#### **Changes in Internal Control over Financial Reporting**

During the three months ended March 31, 2024, there were no changes in our ICFR identified in our management's evaluation pursuant to Rules 13a-15(d) and 15d-15(d) of the Exchange Act that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

During 2023, ADT began a multi-year IT transformation project by which we will be migrating much of ADT's infrastructure to the cloud. The initiative includes certain aspects of our customer relationship management and enterprise resource planning systems and will result in changes to our processes and procedures which, in turn, will result in changes to our internal control over financial reporting. To date, the transformation efforts have not materially affected our internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS.

See Note 12 "Commitments and Contingencies" to the condensed consolidated financial statements under the heading "Legal Proceedings" included in this Quarterly Report on Form 10-Q for legal proceedings and related matters.

### ITEM 1A. RISK FACTORS.

Our significant business risks are described in Part I, Item 1A "Risk Factors" in our 2023 Annual Report and in our other filings with the SEC. The risk factors described in our filings with the SEC and other information may not describe every risk facing the Company. There have been no material changes in our risk factors from those disclosed in our 2023 Annual Report, except as discussed below:

*While we are no longer a "controlled company," we may continue to rely on exemptions from certain NYSE corporate governance requirements during a one-year transition period.*

Our Common Stock is listed on the New York Stock Exchange (the "NYSE"). Prior to March 19, 2024, Apollo controlled more than 50% of the combined voting power of the Company with respect to the election of directors, and we were considered a "controlled company" for the purposes of NYSE rules and corporate governance standards. While we were a "controlled company" under NYSE rules, we availed ourselves of applicable "controlled company" exemptions, which exempted us from certain requirements, including the requirements that we have a majority of independent directors on our Board of Directors and that the Compensation Committee of our Board of Directors (the "Compensation Committee") and Nominating and Corporate Governance Committee of our Board of Directors (the "Nominating and Corporate Governance Committee") be comprised entirely of independent directors.

On March 19, 2024, following a registered secondary offering of the Company's Common Stock by certain Apollo affiliates (and the Company's concurrent repurchase from the underwriters of 15 million shares of Common Stock that were the subject of the offering), including the exercise of the underwriters' overallotment option which closed on that date, Apollo's combined voting power with respect to the election of directors fell to 49.5%, and we ceased to be a controlled company as of that date. Under NYSE rules, a company that ceases to be a controlled company must comply with the independent board committee requirements as they relate to the nominating and corporate governance and compensation committees on the following phase-in schedule: (i) at least one independent committee member at the time the company ceases to be a controlled company; (ii) at least a majority of independent committee members within 90 days of the date the company ceases to be a controlled company; and (iii) all independent committee members within one year of the date the company ceases to be a controlled company. Additionally, the NYSE rules provide a 12-month phase-in period from the date a company ceases to be a controlled company to comply with the majority independent board requirement.

As of the date of this report, we have one independent committee member on each of the Nominating and Corporate Governance and the Compensation Committees of the Board, our Audit Committee is comprised entirely of independent directors and we are in compliance with the phase-in requirements described above. Until we are fully subject to these requirements, our stockholders will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

#### ***Apollo continues to exert significant influence over us, and its interests may conflict with our interests and the interests of other stockholders.***

While we are no longer a "controlled company," Apollo continues to be able to exert significant influence over us and as of March 31, 2024 had the right to, among others, nominate 50% of our directors pursuant to the amended and restated Stockholders Agreement between ADT and Prime TopCo LP and one of our Co-Investors (as defined therein). The interests of Apollo and its affiliates, including funds affiliated with Apollo, could conflict with or differ from our interests or the interests of our other stockholders. For example, the concentration of ownership held by funds affiliated with Apollo could (i) delay, defer, or prevent a change in control of our company, (ii) impede a merger, takeover, or other business combination which may otherwise be favorable for us or that another stockholder may otherwise view favorably or (iii) cause us to enter into transactions or agreements that are not in the best interests of all stockholders. Additionally, Apollo and its affiliates are in the business of making investments in companies and may, from time to time, acquire and hold interests in or provide advice to businesses that compete directly or indirectly with us, or are suppliers or customers of ours. Apollo and its affiliates may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. Any such investment may increase the potential for the conflicts of interest discussed in this risk

factor. So long as funds affiliated with Apollo continue to directly or indirectly own a significant amount of our equity, even if such amount is less than 50%, Apollo and its affiliates will continue to be able to substantially influence or effectively control our ability to enter into corporate transactions.

In addition, we are party to the Stockholders Agreement with Ultimate Parent and the Co-Investor. The Stockholders Agreement specifies that we will not take certain significant actions without the prior consent of Ultimate Parent, including, among other things, hiring or terminating any Executive Officer of our company, designating any new Executive Officer of our company, entering into certain merger, consolidation or other "change of control" transactions or changing the size of our Board. The Stockholders Agreement also specifies that Ultimate Parent has the right to nominate individuals for election to our Board and that we are, to the fullest extent permitted by applicable law, required to nominate and recommend that each such individual be elected as a director, and the right to designate a member to each committee of our Board. Relatedly, our amended and restated Bylaws (the "Bylaws") provide that Ultimate Parent and the Co-Investor have the right, subject to certain conditions, to have their representatives appointed to serve on committees of our Board. Recently, stockholders agreements and bylaw provisions of this nature have been challenged on the basis that they conflict with the Delaware General Corporate Law ("DGCL"). Following the recent decision from the Chancery Court of the State of Delaware in West Palm Beach Firefighters' Pension Fund v. Moelis & Company holding that certain of those types of provisions are invalid under the DGCL, the Board has received two demands (collectively, the "Demands") from purported stockholders requesting that the Board take all action necessary to amend the Stockholders Agreement and the Bylaws to comply with the DGCL. Absent such changes, the purported shareholder threatens to take further action, including possibly commencing litigation. The Board is evaluating the Demands; the outcome of this matter is uncertain.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

### Recent Sales of Unregistered Equity Securities

There were no sales of unregistered equity securities during the three months ended March 31, 2024.

### Use of Proceeds from Registered Equity Securities

We did not receive any proceeds from sales of registered equity securities during the three months ended March 31, 2024.

### Issuer Purchases of Equity Securities

The following table presents repurchases of shares of the Company's Common Stock during the three months ended March 31, 2024:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (in thousands)
January 1, 2024 - January 31, 2024	—	—	—	\$ 350,000
February 1, 2024 - February 29, 2024	—	—	—	\$ 350,000
March 1, 2024 - March 31, 2024	15,000,000	\$ 6.22	15,000,000	\$ 256,644
<b>Total</b>	<b>15,000,000</b>	<b>\$ 6.22</b>	<b>15,000,000</b>	<b>\$ 256,644</b>

(1) On January 24, 2024, the Company's Board of Directors announced the Share Repurchase Plan, pursuant to which the Company is authorized to repurchase, through January 29, 2025, up to a maximum aggregate amount of \$350 million of shares of the Company's Common Stock under this Share Repurchase Plan. The Company may effect these repurchases pursuant to one or more open market or private transactions, including pursuant to a plan that qualifies for the affirmative defense provided by Rule 10b5-1 under the Exchange Act, or pursuant to one or more accelerated share repurchase agreements. The Company is not obligated to repurchase any of its shares of Common Stock, and the timing and amount of any repurchases will depend on legal requirements, market conditions, stock price, the availability of the safe harbor provided by Rule 10b-18 under the Exchange Act, alternative uses of capital, and other factors.

## ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

#### ITEM 4. MINE SAFETY DISCLOSURES.

None.

#### ITEM 5. OTHER INFORMATION.

During the three months ended March 31, 2024, none of the Company's directors or executive officers adopted or terminated any contract, instruction, or written plan for the purchase or sale of Company securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

#### ITEM 6. EXHIBITS.

The exhibits listed on the accompanying Index to Exhibits are filed/furnished or incorporated by reference as part of this Quarterly Report on Form 10-Q.

##### INDEX TO EXHIBITS

The information required by this Item is set forth on the exhibit index below.

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
<a href="#">3.1</a>	<a href="#">Amended and Restated Certificate of Incorporation of ADT Inc.</a>	8-K	3.1	9/17/2020
<a href="#">3.2</a>	<a href="#">Amended and Restated Bylaws of ADT Inc.</a>	8-K	3.1	9/18/2023
<a href="#">10.1*</a>	<a href="#">Fifth Amendment to the Receivables Financing Agreement, among ADT Finance LLC, Mizuho Bank, Ltd., ADT LLC, MUFG Bank, Ltd., Starbird Funding Corporation, and BNP Paribas, dated as of March 27, 2024</a>			
<a href="#">10.2+*</a>	<a href="#">Form of Non-Qualified Option Award Agreement for use under the ADT Inc. 2018 Omnibus Incentive Plan, effective as of March 8, 2024</a>			
<a href="#">31.1*</a>	<a href="#">Certification of CEO, pursuant to SEC Rule 13a-14(a) and 15d-14(a)</a>			
<a href="#">31.2*</a>	<a href="#">Certification of CFO, pursuant to SEC Rule 13a-14(a) and 15d-14(a)</a>			
<a href="#">32.1**</a>	<a href="#">Certification by the CEO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>			
<a href="#">32.2**</a>	<a href="#">Certification by the CFO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>			
101	XBRL Instant Document - 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			

\* Filed herewith.

\*\* Furnished herewith.

+ Management contract or compensatory plan or arrangement.

#### SIGNATURES

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

#### ADT Inc.

Date: April 25, 2024

By: \_\_\_\_\_ /s/ Jeffrey Likosar  
Name: Jeffrey Likosar  
Title: *President, Corporate Development and Transformation, and Chief Financial Officer  
(Principal Financial Officer)*

FIFTH AMENDMENT  
TO THE  
RECEIVABLES FINANCING AGREEMENT

This FIFTH AMENDMENT TO THE RECEIVABLES FINANCING AGREEMENT (this “Amendment”), dated as of March 27, 2024, is entered into by and among the following parties:

- (i) ADT FINANCE LLC, a Delaware limited liability company, as Borrower (the “Borrower”) and as Buyer (the “Buyer”);
- (ii) MIZUHO BANK, LTD. (“Mizuho”), as Administrative Agent, Arranger, Collateral Agent, and Structuring Agent;
- (iii) ADT LLC, a Delaware limited liability company (“ADT”), in its individual capacity and as initial Servicer (in such capacity, the “Servicer”) and as Originator (in such capacity, the “Originator”);
- (iv) Mizuho, as a Lender and Group Agent;
- (v) MUFG BANK, LTD. (“MUFG”), as a Lender and Group Agent;
- (vi) STARBIRD FUNDING CORPORATION (“Starbird”), as a Conduit Lender; and
- (vii) BNP PARIBAS (“BNPP”), as a Lender and Group Agent for itself and Starbird (Starbird, as a Conduit Lender, and BNPP, as Starbird’s Related Lender and as a Group Agent, shall constitute the “BNPP Group”).

PRELIMINARY STATEMENTS

1. The parties hereto are parties to that certain Receivables Financing Agreement, dated as of July 16, 2021 (as heretofore amended, supplemented or otherwise modified from time to time, the “Receivables Financing Agreement”).

2. The parties hereto desire to amend the Receivables Financing Agreement as set forth herein.

In consideration of the premises herein contained and for other good and valuable consideration, the receipt and adequacy of which the parties hereto hereby acknowledge, the parties hereto agree as follows:

Section 1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned thereto in the Receivables Financing Agreement, and the interpretive rules set forth in Section 1.02 of the Receivables Financing Agreement shall apply to this Amendment.

Section 2. Amendment to the Receivables Financing Agreement.

Effective as of the Fifth Amendment Effective Date, the definition of “Termination Date” in Section 1.01 of the Receivables Financing Agreement shall be amended and restated in its entirety as follows:

“Termination Date” means the earlier to occur of (a) April 10, 2024 (the “Scheduled Termination Date”), and (b) the occurrence of an Event of Termination.

Section 3. Representations and Warranties. On the Fifth Amendment Effective Date, each of the Borrower and ADT hereby represents and warrants (solely as to itself) to the Credit Parties as follows:

(a) after giving effect to this Amendment, no event or condition has occurred and is continuing which constitutes an Event of Termination or Unmatured Event of Termination;

(b) after giving effect to this Amendment, the representations and warranties of such Person set forth in the Receivables Financing Agreement and each other Transaction Document to which it is party are true and correct as of the Fifth Amendment Effective Date, as though made on and as of such date (except to the extent such representations and warranties relate solely to an earlier date and then as of such earlier date); and

(c) this Amendment constitutes the valid and binding obligation of such Person, enforceable against such Person in accordance with its terms.

Section 4. Conditions to Effectiveness of this Amendment. This Amendment shall become effective as of the date (the “Fifth Amendment Effective Date”) on which the following conditions are satisfied: the receipt by the Administrative Agent of each of the following, in each case, in form and substance reasonably satisfactory to the Administrative Agent:

(a) counterparts of this Amendment, duly executed by each of the parties hereto; and

(b) the reaffirmation of the Performance Support Agreement, duly executed by ADT Inc. attached as Annex A hereto.

Section 5. Miscellaneous.

(a) Effect of Amendment; Ratification. Except as specifically set forth herein, the Receivables Financing Agreement (as amended hereby) is hereby ratified and confirmed in all respects, and all of its provisions shall remain in full force and effect. After this Amendment becomes effective, all references in any Transaction Document to the Receivables Financing Agreement, including by reference, as applicable, to “this Agreement”, “hereof”, “herein”, or words of similar effect, shall be deemed to be references to the Receivables Financing Agreement, as amended hereby. This Amendment shall not be deemed to expressly or impliedly waive, amend, or supplement any provision of the Receivables Financing Agreement or any other Transaction Document other than as specifically set forth herein.

(b) Counterparts; Delivery. This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart hereof by facsimile or other electronic means shall be equally effective as delivery of an originally executed counterpart. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include 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, deliveries or the keeping of records in electronic form (provided that no electronic signatures may be affixed through the use of a third-party service provider), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(c) Severability. Any provisions of this Amendment which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(d) Captions. The various captions in this Amendment are provided solely for convenience of reference and shall not affect the meaning or interpretation of any provision of this Amendment, the Receivables Financing Agreement or any other Transaction Document.

(e) GOVERNING LAW. THIS AMENDMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICTS OF LAW PROVISIONS THEREOF, EXCEPT TO THE EXTENT THAT THE PERFECTION, THE EFFECT OF PERFECTION OR PRIORITY OF THE INTERESTS OF THE COLLATERAL AGENT, THE ADMINISTRATIVE AGENT, OR ANY LENDER IN THE COLLATERAL IS GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK)

(f) WAIVER OF TRIAL BY JURY. EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AMENDMENT OR THE RECEIVABLES FINANCING AGREEMENT, ANY OTHER TRANSACTION DOCUMENT, OR UNDER ANY AMENDMENT, INSTRUMENT, OR DOCUMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR ARISING FROM ANY BANKING OR OTHER RELATIONSHIP EXISTING IN CONNECTION WITH THIS AMENDMENT, THE RECEIVABLES FINANCING

AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

*(Signature Pages Follow)*

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed as of the date first above written.

ADT FINANCE LLC,  
as Borrower

By: /s/ Deepika Yelamanchi  
Name: Deepika Yelamanchi  
Title: Senior Vice President, Treasurer

ADT LLC,  
in its individual capacity and as initial Servicer

By: /s/ Deepika Yelamanchi  
Name: Deepika Yelamanchi  
Title: Senior Vice President, Treasurer

MIZUHO BANK, LTD.,  
as Administrative Agent, Group Agent for the  
Mizuho Group, a Lender, Structuring Agent and  
Collateral Agent

By: /s/ Jeremy Ebrahim

Name: Jeremy Ebrahim

Title: Managing Director

MUFG BANK, LTD., as Lender and Group Agent

By: /s/ Eric Williams

Name: Eric Williams

Title: Managing Director

BNP PARIBAS, as a Lender and as a Group Agent

By: /s/ Steven Parsons

Name: Steven Parsons

Title: Managing Director

By: /s/ Advait Joshi

Name: Advait Joshi

Title: Director

STARBIRD FUNDING CORPORATION, as  
Lender

By: /s/ David V. DeAngelis

Name: David V. DeAngelis

Title: Vice President

ANNEX A

REAFFIRMATION OF PERFORMANCE SUPPORT AGREEMENT

This Reaffirmation of Performance Support Agreement dated as of March 27, 2024 (this “Reaffirmation”) is entered into by ADT Inc.

Reference is hereby made to (i) the Amended and Restated Performance Support Agreement dated as of July 16, 2021 (the “Performance Support Agreement”) between ADT Inc. as Performance Support Provider and Mizuho Bank, Ltd. as Administrative Agent and Collateral Agent, and (ii) the Fifth Amendment dated as of March 27, 2024 (the “Fifth Amendment”) to the Receivables Financing Agreement, to which this Reaffirmation is attached as Annex A.

Capitalized terms not otherwise defined herein are used herein as defined in the Performance Support Agreement.

ADT Inc. hereby agrees that, after giving effect to the Fifth Amendment, its obligations as the Performance Support Provider under the Performance Support Agreement with respect to the Guaranteed Obligations (as amended by and giving effect to the Fifth Amendment) continue to be in full force and effect and are not impaired or adversely affected in any manner whatsoever by the Fifth Amendment coming into effect (other than, for the avoidance of doubt, to the extent of any amendment to the terms of the Guaranteed Obligations pursuant thereto) and, without limiting the foregoing, confirms its undertaking with respect to the Guaranteed Obligations under the Performance Support Agreement.

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IN WITNESS WHEREOF, the undersigned have caused this Reaffirmation to be executed as of the date first above written.

ADT INC.

By: /s/ Deepika Yelamanchi

Name: Deepika Yelamanchi

Title: Senior Vice President, Treasurer

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**ADT INC.  
2018 OMNIBUS INCENTIVE PLAN  
NONQUALIFIED  
OPTION AWARD AGREEMENT**

THIS NONQUALIFIED OPTION AWARD AGREEMENT (this “Agreement”), is entered into as of [\_\_\_\_], 20[\_\_\_\_] (the “Date of Grant”), by and between ADT Inc., a Delaware corporation (the “Company”), and [\_\_\_\_] (the “Participant”). Capitalized terms used in this Agreement and not otherwise defined herein have the meanings ascribed to such terms in the ADT Inc. 2018 Omnibus Incentive Plan, as amended, restated or otherwise modified from time to time in accordance with its terms (the “Plan”).

WHEREAS, the Company has adopted the Plan, pursuant to which options to acquire shares of Common Stock may be granted (“Options”); and WHEREAS, the Committee has determined that it is in the best interests of the Company and its stockholders to grant the award provided for herein to the Participant on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

**1.     Grant of Option.**

(a)     Grant. The Company hereby grants to the Participant an Option to purchase [\_\_\_\_] shares of Common Stock (such shares, the “Option Shares”), on the terms and subject to the conditions set forth in this Agreement and as otherwise provided in the Plan. The Option is not intended to qualify as an Incentive Stock Option. The Options shall vest in accordance with Section 2. The Exercise Price shall be \$6.26 per Option Share.

(b)     Incorporation by Reference. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and the Participant’s beneficiary in respect of any questions arising under the Plan or this Agreement. The Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

**2.     Vesting.** Except as may otherwise be provided herein, the Options shall vest and become exercisable in equal installments on each of the first three anniversaries of the Date of Grant (each such date, a “Vesting Date”), subject to the Participant’s continued employment with, appointment as a director of, or engagement to provide services to, the Company or any of its Affiliates through the applicable Vesting Date. Any fractional Option Share resulting from the

aggregation shall vest on the final Vesting Date.

### **3. Termination of Employment or Services.**

(a) Generally. Except as otherwise provided herein, if the Participant's employment with, membership on the board of directors of, or engagement to provide services to the Company or any of its Affiliates terminates for any reason (including, but not limited to, a termination by the Company with or without Cause), the unvested portion of the Option shall be canceled immediately and the Participant shall immediately forfeit without any consideration any rights to the Option Shares subject to such unvested portion.

(b) Death or Disability. Notwithstanding anything to the contrary in Section 3, if the Participant's employment with, membership on the board of directors of, or engagement to provide services to the Company or any of its Affiliates terminates due to the Participant's death or Disability, the unvested portion of the Option shall become fully vested as of the date of such termination which shall be the final Vesting Date.

(c) Retirement. Notwithstanding anything to the contrary in Section 3, if the Participant's employment with, membership on the board of directors of, or engagement to provide services to the Company or any of its Affiliates terminates due to the Participant's Retirement (defined below) more than twelve (12) months after the Date of Grant, the Option will continue to vest in accordance with Section 2 hereof. Notwithstanding the foregoing, the Participant shall not be eligible for such continued vesting and the unvested portion of the Option shall be canceled immediately if the Participant's voluntary termination of employment with or service to the Company or any of its Affiliates is a result of the Participant's Retirement less than twelve (12) months after the Date of Grant. For purposes of this Section 3(c), "Retirement" shall mean a termination of the Participant's employment with, membership on the board of directors of, or engagement to provide services to the Company or any of its Affiliates as a result of the Participant's voluntary resignation on or after age 55 if the sum of the Participant's age and full years of service with the Company is at least 60.

(d) Change in Control.

(i) Notwithstanding anything to the contrary in Section 3, if the Participant's employment with, membership on the board of directors of, or engagement to provide services to the Company or any of its Affiliates is terminated by the Company without Cause or by the Participant as a result of a Good Reason Resignation (defined below), in either case during the 24-month period after the date of a Change in Control, the unvested portion of the Option shall become fully vested as of the date of such termination, which shall be the final Vesting Date.

(ii) For purposes of this Agreement, "Good Reason Resignation" (i) shall have the meaning given such term (or term of similar import) in any employment, consulting, change-in-control, severance or any other agreement between the Participant and the Company or an Affiliate, or severance plan in which the Participant is eligible to participate, in either case in effect at the time of the Participant's termination of

employment or service with the Company and its Affiliates, or (ii) if "good reason resignation" or term of similar import is not defined in, or in the absence of, any such employment, consulting, change-in-control, severance or any other agreement between the Participant and the Company or an Affiliate, or severance plan in which the Participant is eligible to participate, means any termination of the Participant's employment or service with the Company and its Affiliates by the Participant that is caused by any one or more of the following events that occurs during the period beginning 60 days prior to the date of a Change in Control and ending 24 months after the date of such Change in Control:

(A) Without the Participant's written consent, assignment to the Participant of any duties inconsistent in any material respect with the Participant's authority, duties or responsibilities as in effect immediately prior to the Change in Control that represent a material diminution of such duties, or any other action by the Company that results in a material diminution in such authority, duties or responsibilities;

(B) Without the Participant's written consent, a material change in the geographic location at which the Participant must perform services to a location that is more than 50 miles from the Participant's principal place of business immediately preceding the Change in Control, provided that such change in location extends the commute of such Participant; or

(C) Without the Participant's written consent, a material reduction to the Participant's base compensation and benefits, taken as a whole, as in effect immediately prior to the Change in Control.

Notwithstanding the foregoing, the Participant shall be considered to have a Good Reason Resignation only if the Participant provides written notice to the Company specifying in reasonable detail the events or conditions upon which the Participant is basing such Good Reason Resignation and the Participant provides such notice within 90 days after the event that gives rise to the Good Reason Resignation. Within 30 days after notice has been received, the Company shall have the opportunity, but shall have no obligation, to cure such events or conditions that give rise to the Good Reason Resignation. If the Company does not cure such events or conditions within the 30-day period, the Participant must terminate employment or service with the Company based on Good Reason Resignation within 30 days after the expiration of the cure period.

#### **4. Expiration.**

(a) In no event shall all or any portion of the Option be exercisable after the tenth annual anniversary of the Date of Grant (such ten-year period, the "Option Period"); provided that if the Option Period would expire at a time when trading in the shares of Common Stock is prohibited by the Company's securities trading policy (or Company-imposed "blackout period"), the Option Period shall be automatically extended until the 30th day following the expiration of such prohibition (but not to the extent that any such extension would otherwise violate Section 409A of the Code).

(b) If, prior to the end of the Option Period, the Participant's employment with, directorship with, or engagement to provide services to, the Company and all Affiliates is terminated without Cause or by the Participant for any reason (other than due to the Participant's Retirement), then the Option shall expire on the earlier of the last day of the Option Period and the date that is 90 days after the date of such termination; provided, however, that if the Participant's employment, directorship or engagement to provide services to the Company and its Affiliates is terminated and the Participant is subsequently rehired, reappointed or reengaged by the Company or any Affiliate within 90 days following such termination and prior to the expiration of the Option, the Participant shall not be considered to have undergone a termination of employment or service, as applicable. In the event of a termination described in this subsection (b), the Option shall remain exercisable by the Participant until its expiration only to the extent that the Option was exercisable at the time of such termination.

(c) If (i) the Participant's employment with, directorship with, or engagement to provide services to, the Company is terminated prior to the end of the Option Period on account of his Disability, (ii) the Participant dies while still a director of, or still in the employ or engagement of the Company or an Affiliate, or (iii) the Participant dies following a termination described in subsection (b) above but prior to the expiration of an Option, the Option shall expire on the earlier of the last day of the Option Period and the date that is one (1) year after the date of

on the earlier of the last day of the Option Period and the date that is one (1) year after the date of death or termination on account of Disability of the Participant, as applicable. In such event, the Option shall remain exercisable by the Participant or Participant's beneficiary, as applicable, until its expiration only to the extent that the Option was exercisable by the Participant at the time of such event.

(d) If the Participant's employment with, directorship with, or engagement to provide services to, the Company is terminated prior to the end of the Option Period on account of his Retirement, the Option shall expire on the last day of the Option Period.

(e) If the Participant ceases employment with or engagement to provide services to the Company or any Affiliates or is removed as a director due to a termination for Cause, the Option (whether vested or unvested) shall expire immediately upon such termination.

**5. Method of Exercise and Form of Payment.** No Option Shares shall be delivered pursuant to any exercise of the Option until the Participant has paid in full to the Company the Exercise Price and an amount equal to any U.S. federal, state, local and non-U.S. income and employment taxes required to be withheld. The Option may be exercised by delivery of written or electronic notice of exercise to the Company or its designee (including a third-party administrator) in accordance with the terms hereof. The Exercise Price and all applicable required withholding taxes shall be payable (i) in cash, check, cash equivalent and/or in shares of Common Stock valued at the Fair Market Value at the time the Option is exercised (including, pursuant to procedures approved by the Committee, by means of attestation of ownership of a sufficient number of shares of Common Stock in lieu of actual delivery of such shares to the Company); provided that such shares of Common Stock are not subject to any pledge or other security interest; or (ii) by such other method as the Committee may permit, including without limitation: (A) in other property having a Fair Market Value equal to the Exercise Price and all applicable required withholding taxes, (B) if there is a public market for the shares of Common Stock at such time, by means of a broker-assisted "cashless exercise" pursuant to which the

Company is delivered a copy of irrevocable instructions to a stockbroker to sell the shares of Common Stock otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding taxes, or (C) by means of a “net exercise” procedure effected by withholding the minimum number of shares of Common Stock otherwise deliverable in respect of an Option that are needed to pay for the Exercise Price and all applicable required withholding taxes. Any fractional shares of Common Stock resulting from the application of this Section 5 shall be settled in cash.

**6. Rights as a Stockholder.** The Participant shall not be deemed for any purpose to be the owner of any shares of Common Stock subject to this Option unless, until and to the extent that (i) this Option shall have been exercised pursuant to its terms, (ii) the Company shall have issued and delivered to the Participant the Option Shares and (iii) the Participant’s name shall have been entered as a stockholder of record with respect to such Option Shares on the books of the Company. The Company shall cause the actions described in clauses (ii) and (iii) of the preceding sentence to occur promptly following settlement as contemplated by this Agreement, subject to compliance with applicable laws.

**7. Compliance with Legal Requirements.**

(a) **Generally.** The granting and exercising of the Option, and any other obligations of the Company under this Agreement, shall be subject to all applicable U.S. federal, state and local laws, rules and regulations, all applicable non-U.S. laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Participant agrees to take all steps that the Committee or the Company determines are reasonably necessary to comply with all applicable provisions of U.S. federal and state securities law and non-U.S. securities law in exercising the Participant’s rights under this Agreement.

(b) **Tax Withholding.** Any exercise of the Option shall be subject to the Participant’s satisfying any applicable U.S. federal, state and local tax withholding obligations and non-U.S. tax withholding obligations. The Company shall have the right and is hereby authorized to withhold from any amounts payable to the Participant in connection with the Option or otherwise the amount of any required withholding taxes in respect of the Option, its exercise or any payment or transfer of the Option or under the Plan and to take any such other action as the Committee or the Company deem necessary to satisfy all obligations for the payment of such withholding taxes (up to the maximum permissible withholding amounts), including the right to use a broker-assisted “cashless exercise” as described in Section 5(ii)(B) hereof. The Participant may elect to satisfy, and the Company may require the Participant to satisfy, in whole or in part, the tax obligations by withholding shares of Common Stock that would otherwise be received upon exercise of the Option with a Fair Market Value equal to such withholding liability. For exercises of the Option occurring during a blackout period under the Company’s insider trading policy, the Company shall arrange for the sale of a number of shares of Common Stock to be delivered to the Participant to satisfy the applicable withholding obligations. Such shares of Common Stock shall be sold on behalf of the Participant through the Company’s transfer agent on the facilities of the NYSE or through the facilities of any other exchange on which the Common Stock is listed at the time of such sale.

may cancel the Option award if the Participant, without the consent of the Company, has engaged in or engages in activity that is in conflict with or adverse to the interests of the Company or any Affiliate while employed by, serving as a director of, or otherwise providing services to the Company or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, or any violation of any of the covenants set forth on Exhibit A attached hereto or any other non-competition, non-solicitation, non-disparagement or non-disclosure covenant or agreement with the Company or any Affiliate (after giving effect to any applicable cure period set forth therein), as determined by the Committee. In such event, the Participant will forfeit any compensation, gain or other value realized thereafter on the vesting or exercise of the Option, the sale or other transfer of the Option, or the sale of shares of Common Stock acquired in respect of the Option (provided that the Option or portion thereof was exercised during the 12-month period immediately prior to the Participant's adverse activity), and must promptly repay such amounts to the Company. If the Participant receives any amount in excess of what the Participant should have received under the terms of the Option for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), all as determined by the Committee, then the Participant shall promptly repay any such excess amount to the Company. To the extent required by applicable law or the rules and regulations of the NYSE or any other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, or if so required pursuant to a written policy adopted by the Company, the Option shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement).

## **9. Restrictive Covenants.**

(a) Without limiting any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the Participant shall be subject to the confidentiality and restrictive covenants set forth in the Restrictive Covenant Agreement contained in Exhibit A attached hereto, which Exhibit A is incorporated herein and forms part of this Agreement.

(b) In the event that the Participant violates any of the restrictive covenants referred to in this Section 9, in addition to any other remedy that may be available at law or in equity, the Option shall be automatically forfeited effective as of the date on which such violation first occurs. The foregoing rights and remedies are in addition to any other rights and remedies that may be available to the Company and shall not prevent (and the Participant shall not assert that they shall prevent) the Company from bringing one or more actions in any applicable jurisdiction to recover damages as a result of the Participant's breach of such restrictive covenants.

## **10. Miscellaneous.**

(a) Transferability. The Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered (a "Transfer") by the Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under Section 14(b) of the Plan. Any attempted Transfer of the Option

contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Option, shall be null and void and without effect.

(b) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(c) Section 409A. The Option is not intended to be subject to Section 409A of the Code. Notwithstanding the foregoing or any provision of the Plan or this Agreement, if any provision of the Plan or this Agreement contravenes Section 409A of the Code or could cause the Participant to incur any tax, interest or penalties under Section 409A of the Code, the Committee may, in its sole discretion and without the Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Section 409A of the Code, or to avoid the incurrence of taxes, interest and penalties under Section 409A of the Code, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A of the Code. This Section 10(c) does not create an obligation on the part of the Company to modify the Plan or this Agreement and does not guarantee that the Option or the Option Shares will not be subject to interest and penalties under Section 409A.

(d) Notices. Any notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax, pdf/email or overnight courier, or by postage-paid first-class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, to the attention of the General Counsel at the Company's principal executive office.

(e) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(f) No Rights to Employment, Directorship or Service. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as an employee, consultant or director of the Company or any of its Affiliates or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever.

(g) Fractional Shares. In lieu of issuing a fraction of a share of Common Stock resulting from any exercise of the Option or an adjustment of the Option pursuant to Section 11 of the Plan or otherwise, the Company shall be entitled to pay to the Participant an amount in cash equal to the Fair Market Value of such fractional share.

(h) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation.

(i) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(j) Entire Agreement. This Agreement (including Exhibit A attached hereto) and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto, other than any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the covenants of which shall continue to apply to the Participant in addition to the covenants in Exhibit A hereto, in accordance with the terms of such agreement. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto, except for any changes permitted without consent under Sections 11 or 13 of the Plan.

(k) Governing Law and venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.

(i) Dispute Resolution; Consent to Jurisdiction. All disputes between or among any Persons arising out of or in any way connected with the Plan, this Agreement or the Option shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee's determinations and resolution of matters, if any, related to the Plan or this Agreement not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective ten (10) days after such mailing. Notwithstanding the foregoing, any resolution of any disputes under the Restrictive Covenant Agreement set forth in Exhibit A shall be resolved as set forth in, and adjudicated pursuant to jurisdiction and venue as specified in, the Restrictive Covenant Agreement in Exhibit A.

(ii) 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 (including Exhibit A hereto) or the transactions contemplated (whether based on contract, tort or any other theory). Each party hereto (A) certifies that no representative, agent or attorney of

any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.

(l) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(m) Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

(n) Electronic Signature and Delivery. This Agreement may be accepted by return signature or by electronic confirmation. By accepting this Agreement, the Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by U.S. Securities and Exchange Commission rules (which consent may be revoked in writing by the Participant at any time upon three business days' notice to the Company, in which case subsequent prospectuses, annual reports and other information will be delivered in hard copy to the Participant).

(o) Electronic Participation in Plan. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(p) Execution by Participant. Participant understands and agrees that, by signing below, Participant is agreeing to the terms of this Agreement together with the Restrictive Covenant Agreement attached as Exhibit A, and that Participant's single signature below constitutes acceptance of all terms, including those in the Restrictive Covenant Agreement attached as Exhibit A.

*[Remainder of page intentionally blank]*

accompanying Restrictive Covenant Agreement has been executed by the Company and the Participant as of the day first written above.

ADT INC.

By: \_\_\_\_\_  
Name:  
Title:

PARTICIPANT

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[Signature page to Nonqualified Option Award Agreement]

**Exhibit A**

**Restrictive Covenants**

[See attached]

*Exhibit A to ADT, Inc. 2018 Omnibus Incentive Plan Award Agreement*

**RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement (“RC Agreement”), the Omnibus Incentive Plan Participant (the “Participant”) agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, “the Company” includes ADT Inc. and its Subsidiaries and Affiliates.

**1. Confidentiality**

(a) Participant hereby agrees that during Participant’s employment or service with the Company, and thereafter, Participant will not use or disclose “Confidential Information” related to any business of the Company.

(b) As used in this RC Agreement, “Confidential Information” means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company’s finances, accounting, business plans, strategic

plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company's personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. "Confidential Information" does not include information regarding Participants' terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant's attorney and use the trade secret information in related court proceedings,

provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

## **2. Non-Competition Covenant**

(a) Participant agrees that, during Participant's employment or service with the Company, and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the one (1) year period after separation of Participant's employment or service with the Company (the "Non-Compete Period"), Participant will not directly or indirectly, own, manage, operate, control (including indirectly through a debt or equity investment), provide services to, or be employed by, any person or entity engaged in any business that is both:

(i) located in, or provides services or products to, a region with respect to which Participant had substantial responsibilities during the twenty-four (24) months preceding Participant's separation of employment or services with the Company; and

(ii) competitive with either (A) the line of business or businesses of the Company that Participant was employed with during the twenty-four (24) months preceding Participant's separation of employment or services with the Company (including any prospective business to be developed or acquired that was proposed at the date of separation), or (B) any other business of the Company with respect to which Participant had substantial exposure during the twenty-four (24) months preceding Participant's separation of employment or services with the Company.

(b) Participant's agreement not to provide such services applies regardless of whether Participant does so as an employee, owner, partner, principal, advisor, independent contractor, consultant, agent, officer, director, investor, or shareholder. Notwithstanding the foregoing, Participant's ownership of less than 1% of the outstanding shares of a publicly traded company that constitutes a competitor as described in Section 2(a) above shall not be deemed to be providing services to such Competitor solely by virtue of owning such shares.

## **3. Non-Solicitation Covenant – ADT Personnel**

(a) Participant agrees that, during Participant's employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the two (2) year period after separation of Participant's employment or service with the Company (the "Non-Solicit Period"), Participant will not, directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, recruit, aid, or induce any Company Personnel to leave their employment with the Company in order to accept employment with or render services to another person or entity unaffiliated with the Company, or knowingly take any action to assist or aid any other person or entity in identifying, soliciting, recruiting, inducing or hiring any such Company Personnel; or

**Company Personnel.**

(b) Participant agrees that during the Non-Solicit Period, Participant shall not, directly or indirectly, engage in any conduct intended or reasonably calculated to induce or urge any Participant or contractor of the Company to discontinue, in whole or in part, his/her employment relationship or engagement with the Company.

(c) “Company Personnel” means any person who was employed by the Company during the twenty-four (24) month period prior to Participant’s last day of employment or service with the Company and either (i) with whom Participant had direct contact for business purposes, or (ii) whom Participant knew about because of Participant’s access to the Company’s Confidential Information or trade secrets.

**4. Non-Solicitation Covenant – Customer**

(a) Participant agrees that, during Participant’s employment or service with the Company, and during the Non-Solicit Period, Participant will not directly or indirectly, on Participant’s own behalf or on behalf of another:

(i) solicit, aid, or induce any Customer of the Company to purchase goods or services then sold by the Company from another person or entity, or assist or aid any other persons or entity in identifying or soliciting any such Customer(s); or

(ii) initiate any contact or communication with any Customer regarding any new employment or business affiliation Participant may accept or be intending to accept following separation of Participant’s employment with the Company; or

(iii) otherwise interfere with the relationship of the Company with any of their Participants, customers, vendors, agents, or representatives.

(b) “Customer(s)” means a customer (person or entity) of the Company that Participant, directly or indirectly (*e.g.*, through employees whom Participant supervised), called upon, solicited, worked with, or became acquainted with at any time during the twenty-four (24) month period prior to Participant’s last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant’s employment or service with the Company, Participant will be acting as a representative of the Company and will be using the Company’s assets and resources, and will be benefiting from the Company’s goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company’s legitimate business interests. Participant agrees that the covenants in this paragraph will apply to all Customers as defined above, even if the identity of certain Customers of the Company may be publicly known, and even if Participant knew or had previous dealings with one or more such Customers prior to Participant’s employment with the Company.

**5. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants contained in this RC Agreement.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the injunctive relief to which Participant consents hereinabove, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

## **6. Notice of Restrictive Covenants**

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

## **7. Modification & Severability**

If any section, provision, paragraph, phrase, word, and/or line (collectively "Provision") of this RC Agreement is held to be unenforceable, then this RC Agreement will be deemed amended to the extent necessary to render the otherwise unenforceable Provision, and the rest of this RC Agreement, valid and enforceable. If a court or arbitrator declines to amend this RC Agreement as provided herein, the invalidity or unenforceability of any Provision of this RC Agreement shall not affect the validity or enforceability of the remaining Provisions, which shall be enforced as if the offending Provision had not been included in this RC Agreement.

## **8. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which

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Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

## **9. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

## **10. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.

*Exhibit A to ADT, Inc. 2018 Omnibus Incentive Plan Award Agreement*

**RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement (“RC Agreement”), the Omnibus Incentive Plan Participant (the “Participant”) agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, “the Company” includes ADT Inc. and its Subsidiaries and Affiliates.

**1. Confidentiality**

(a) Participant hereby agrees that during Participant’s employment or service with the Company, and thereafter, Participant will not use or disclose “Confidential Information” related to any business of the Company.

(b) As used in this RC Agreement, “Confidential Information” means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company’s finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company’s personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. “Confidential Information” does not include information regarding Participants’ terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant’s attorney and use the trade secret information in related court proceedings,

## **2. Non-Competition Covenant**

(a) Participant agrees that, during Participant's employment or service with the Company, and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the one (1) year period after separation of Participant's employment or service with the Company (the "Non-Compete Period"), Participant will not provide services to, or be employed by, any person or entity engaged in any business that is both:

(i) located in, or provides services or products to, a region with respect to which Participant had substantial responsibilities during the twelve (12) months preceding Participant's separation of employment or services with the Company; and

(ii) competitive with either (A) the line of business or businesses of the Company that Participant was employed with during the twelve (12) months preceding Participant's separation of employment or services with the Company, or (B) any other business of the Company with respect to which Participant had substantial exposure during the twelve (12) months preceding Participant's separation of employment or services with the Company.

(b) Participant's agreement not to provide such services applies regardless of whether Participant does so as an employee, owner, partner, principal, advisor, independent contractor, consultant, agent, officer, director, investor, or shareholder. Notwithstanding the foregoing, Participant's ownership of less than 1% of the outstanding shares of a publicly traded company that constitutes a competitor as described in Section 2(a) above shall not be deemed to be providing services to such competitor solely by virtue of owning such shares.

## **3. Non-Solicitation Covenant – ADT Personnel**

(a) Participant agrees that, during Participant's employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the one (1) year period after separation of Participant's employment or service with the Company (the "Non-Solicit Period"), Participant will not, directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, recruit, aid, or induce any Company Personnel to leave their employment with the Company in order to accept employment with or render services to another person or entity unaffiliated with the Company, or knowingly take any action to assist or aid any other person or entity in identifying, soliciting, recruiting, inducing or hiring any such Company Personnel; or

(ii) otherwise interfere with the relationship of the Company with any Company Personnel.

(b) Participant agrees that during the Non-Solicit Period, Participant shall not, directly or indirectly, engage in any conduct intended or reasonably calculated to induce or urge any Participant or contractor of the Company to discontinue, in whole or in part, his/her employment relationship or engagement with the Company.

(c) "Company Personnel" means any person who was employed by the Company during the twelve (12) month period prior to Participant's last day of employment or service with the Company and with whom Participant had direct contact for business purposes.

## **4. Non-Solicitation Covenant – Customer**

(a) Participant agrees that, during Participant's employment or service with the Company, and during the Non-Solicit Period, Participant will not directly or indirectly, on Participant's own behalf or on behalf of another:

- (i) solicit, aid, or induce any Customer of the Company to purchase goods or services then sold by the Company from another person or entity, or assist or aid any other persons or entity in identifying or soliciting any such Customer(s); or
- (ii) otherwise interfere with the relationship of the Company with any of their Participants, customers, vendors, agents, or representatives.

(b) "Customer(s)" means an existing customer (person or entity) of the Company that Participant, directly or indirectly (e.g., through employees whom Participant supervised), called upon, solicited, or worked with at any time during the twelve (12) month period prior to Participant's last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant's employment or service with the Company, Participant will be acting as a representative of the Company and will be using the Company's assets and resources, and will be benefiting from the Company's goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company's legitimate business interests. Participant agrees that the covenants in this paragraph will apply to all Customers as defined above, even if the identity of certain Customers of the Company may be publicly known, and even if Participant knew or had previous dealings with one or more such Customers prior to Participant's employment with the Company.

## **5. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant

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consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants contained in this RC Agreement.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the injunctive relief to which Participant consents hereinabove, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

## **6. Notice of Restrictive Covenants**

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to accepting employment, engagement as a consultant or contractor, or engaging in a business

accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

## **7. Modification & Severability**

If any section, provision, paragraph, phrase, word, and/or line (collectively "Provision") of this RC Agreement is held to be unenforceable, then the invalidity or unenforceability of any Provision of this RC Agreement shall not affect the validity or enforceability of the remaining Provisions, which shall be enforced as if the offending Provision had not been included in this RC Agreement.

It is the intention of the parties that, if any court or arbitrator construes any provision or clause of this RC Agreement, or any portion thereof, to be illegal, void or unenforceable because of the duration of such provision or the area or matter covered thereby, such court shall reduce the duration, area, or matter of such provision to the extent permitted by law, and, in its reduced form, such provision shall then be enforceable and shall be enforced.

## **8. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

## **9. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

## **10. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.

## **RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement (“RC Agreement”), the Omnibus Incentive Plan Participant (the “Participant”) agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, “the Company” includes ADT Inc. and its Subsidiaries and Affiliates.

### **1. Confidentiality**

(a) Participant hereby agrees that during Participant’s employment or service with the Company, and thereafter, Participant will not use or disclose “Confidential Information” related to any business of the Company.

(b) As used in this RC Agreement, “Confidential Information” means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company’s finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company’s personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. “Confidential Information” does not include information regarding Participants’ terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant’s attorney and use the trade secret information in related court proceedings,

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provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

### **2. Non-Solicitation Covenant – ADT Personnel**

Participant agrees that, during Participant’s employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant’s Retirement from employment or service through the final Vesting Date, or (b) the one (1) year period after separation of Participant’s employment or service with the Company (the “Non-Solicit Period”), Participant will not solicit any current employee of the Company with whom Employee had personal contact during the 18 months immediately preceding Employee’s last day of

personal contact during the 18 months immediately preceding Employee's last day of employment with the Company.

### **3. Non-Solicitation Covenant – Customer**

(a) Participant agrees that, during Participant's employment or service with the Company, and during the Non-Solicit Period, Participant will not solicit any Customers.

(b) "Customer(s)" means a current customer (person or entity) of the Company with which Participant actually did business and had personal contact during the 18 months immediately preceding Participant's last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant's employment or service with the Company, Participant will be acting as a representative of the Company and will be using the Company's assets and resources, and will be benefiting from the Company's goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company's legitimate business interests.

### **4. Separate and Severable Covenants**

The restrictive covenants set forth in Sections 2 and 3 above are intended by the Parties to be separate and severable covenants. If either Section 2 or Section 3 is held to be unenforceable, the invalidity or unenforceability of that Section shall not affect the validity or enforceability of the remaining Section, which shall be enforced as if the offending Section had not been included in this Agreement.

### **5. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

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### **6. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

### **7. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.

*Exhibit A to ADT, Inc. 2018 Omnibus Incentive Plan Award Agreement*

**RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement (“RC Agreement”), the Omnibus Incentive Plan Participant (the “Participant”) agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, “the Company” includes ADT Inc. and its Subsidiaries and Affiliates.

**1. Confidentiality and Trade Secrets**

(a) Participant hereby agrees that during Participant’s employment or service with the Company, and thereafter, Participant will not use or disclose “Confidential Information” related to any business of the Company.

(b) As used in this RC Agreement, “Confidential Information” means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company’s finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company’s personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. “Confidential Information” does not include information regarding Participants’ terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Participant understands and agrees that Participant’s agreement not to use or disclose Confidential Information and trade secrets includes, but is not limited to, that Participant will not, directly or indirectly: (i) use Company trade secrets to identify or target existing customers for Participant’s own personal benefit or the benefit of any other firm or entity; (ii) use trade secrets to facilitate the solicitation, for Participant’s own personal benefit or the benefit of any other firm or entity, of any existing customers; and/or (iii) use trade secrets to otherwise unfairly compete with the Company.

(d) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any

secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant's attorney and use the trade secret information in related court proceedings, provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

## **2. Non-Solicitation Covenant – ADT Personnel**

(a) Participant agrees that, during Participant's employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the two (2) year period after separation of Participant's employment or service with the Company (the "Non-Solicit Period"), Participant will not, directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, recruit, aid, or induce any Company Personnel to leave their employment with the Company in order to accept employment with or render services to another person or entity unaffiliated with the Company, or knowingly take any action to assist or aid any other person or entity in identifying, soliciting, recruiting, inducing or hiring any such Company Personnel; or

(ii) otherwise interfere with the relationship of the Company with any Company Personnel.

(b) Participant agrees that during the Non-Solicit Period, Participant shall not, directly or indirectly, engage in any conduct intended or reasonably calculated to induce or urge any Participant or contractor of the Company to discontinue, in whole or in part, his/her employment relationship or engagement with the Company.

(c) "Company Personnel" means any person who was employed by the Company during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company, (i) with whom Participant had direct contact for business purposes, or (ii) whom Participant knew about because of Participant's access to the Company's Confidential Information or trade secrets.

## **3. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant

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consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants contained in this RC Agreement.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the

agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the injunctive relief to which Participant consents hereinabove, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

#### **4. Notice of Restrictive Covenants**

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

#### **5. Modification & Severability**

If any section, provision, paragraph, phrase, word, and/or line (collectively "Provision") of this RC Agreement is held to be unenforceable, then this RC Agreement will be deemed amended to the extent necessary to render the otherwise unenforceable Provision, and the rest of this RC Agreement, valid and enforceable. If a court or arbitrator declines to amend this RC Agreement as provided herein, the invalidity or unenforceability of any Provision of this RC Agreement shall not affect the validity or enforceability of the remaining Provisions, which shall be enforced as if the offending Provision had not been included in this RC Agreement.

#### **6. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

#### **7. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and

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any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

#### **8. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to

This RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.

*Exhibit A to ADT, Inc. 2018 Omnibus Incentive Plan Award Agreement*

**RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement (“RC Agreement”), the Omnibus Incentive Plan Participant (the “Participant”) agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, “the Company” includes ADT Inc. and its Subsidiaries and Affiliates.

**1. Confidentiality**

(a) Participant hereby agrees that during Participant’s employment or service with the Company, and thereafter, Participant will not use or disclose “Confidential Information” related to any business of the Company.

(b) As used in this RC Agreement, “Confidential Information” means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company’s finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company’s personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. “Confidential Information” does not include information regarding Participants’ terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant’s attorney and use the trade secret information in related court proceedings,

## **2. Non-Competition Covenant**

(a) Participant agrees that, during Participant's employment or service with the Company, and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the one (1) year period after separation of Participant's employment or service with the Company (the "Non-Compete Period"), Participant will not directly or indirectly, own, manage, operate, control (including indirectly through a debt or equity investment), provide services to, or be employed by, any person or entity engaged in any business that is both:

(i) located in, or provides services or products to, a region with respect to which Participant had substantial responsibilities during the twenty-four (24) months preceding Participant's separation of employment or services with the Company and in which the Company carries on a like business; and

(ii) competitive with (A) the line of business or businesses of the Company that Participant was employed with during the twenty-four (24) months preceding Participant's separation of employment or services with the Company, or (B) any other business of the Company with respect to which Participant had substantial exposure during the twenty-four (24) months preceding Participant's separation of employment or services with the Company.

(b) Participant's agreement not to provide such services applies regardless of whether Participant does so as an employee, owner, partner, principal, advisor, independent contractor, consultant, agent, officer, director, investor, or shareholder. Notwithstanding the foregoing, Participant's ownership of less than 1% of the outstanding shares of a publicly traded company that constitutes a competitor as described in Section 2(a) above shall not be deemed to be providing services to such competitor solely by virtue of owning such shares.

## **3. Non-Solicitation Covenant – ADT Personnel**

(a) Participant agrees that, during Participant's employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the two (2) year period after separation of Participant's employment or service with the Company, Participant will not, directly or indirectly, on Participant's own behalf or on behalf of another, hire or employ any agent, servant or employee of the Company who holds a position uniquely essential to the management, organization, or service of the business of the Company.

## **4. Non-Solicitation Covenant – Customer**

(a) Participant agrees that, during Participant's employment or service with the Company, and during the 18-month period after separation of Employee's employment with the Company, Participant will not directly or indirectly, on Participant's own behalf or on behalf of

another, solicit any Customer of the Company to purchase goods or services then sold by the Company from another person or entity, or assist or aid any other persons or entity in soliciting any such Customer(s), so long as the Company carries on a like business.

(b) "Customer(s)" means a current customer (person or entity) of the Company that Participant, directly or indirectly (e.g., through employees whom Participant supervised), called upon, solicited, worked with, or became acquainted with at any time during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant's employment or service with the Company, Participant will be acting as a representative of the Company and will be

with the Company, Participant will be acting as a representative of the Company and will be using the Company's assets and resources, and will be benefiting from the Company's goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company's legitimate business interests. Participant agrees that the covenants in this paragraph will apply to all Customers as defined above, even if the identity of certain Customers of the Company may be publicly known, and even if Participant knew or had previous dealings with one or more such Customers prior to Participant's employment with the Company.

## **5. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants contained in this RC Agreement.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the injunctive relief to which Participant consents hereinabove, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

## **6. Notice of Restrictive Covenants**

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to

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accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

## **7. Modification & Severability**

If any section, provision, paragraph, phrase, word, and/or line (collectively "Provision") of this RC Agreement is held to be unenforceable, then this RC Agreement will be deemed amended to the extent necessary to render the otherwise unenforceable Provision, and the rest of this RC Agreement, valid and enforceable. If a court or arbitrator declines to amend this RC Agreement as provided herein, the invalidity or unenforceability of any Provision of this RC Agreement shall not affect the validity or enforceability of the remaining Provisions, which shall be enforced as if the offending Provision had not been included in this RC Agreement.

## **8. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which

determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

#### **9. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

#### **10. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.

## **RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement (“RC Agreement”), the Omnibus Incentive Plan Participant (the “Participant”) agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, “the Company” includes ADT Inc. and its Subsidiaries and Affiliates.

### **1. Confidentiality**

(a) Participant hereby agrees that during Participant’s employment or service with the Company, and thereafter, Participant will not use or disclose “Confidential Information” related to any business of the Company.

(b) As used in this RC Agreement, “Confidential Information” means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company’s finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company’s personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. “Confidential Information” does not include information regarding Participants’ terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant’s attorney and use the trade secret information in related court proceedings,

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provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

### **2. Non-Solicitation Covenant – ADT Personnel**

(a) Participant agrees that, during Participant’s employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant’s Retirement from employment or service through the final Vesting Date, or (b) the two (2) year period after separation of Participant’s employment or service with the Company (the “Non-Solicit Period”), Participant will not, directly or indirectly, on Participant’s own behalf or on behalf of another:

(i) solicit, recruit, aid, or induce any Company Personnel to leave their employment with the Company in order to accept employment with or render services to another person or entity unaffiliated with the Company, or knowingly take any action to assist or aid any other person or entity in identifying, soliciting, recruiting, inducing or hiring any such Company Personnel; or

(ii) otherwise interfere with the relationship of the Company with any Company Personnel.

(b) Participant agrees that during the Non-Solicit Period, Participant shall not, directly or indirectly, engage in any conduct intended or reasonably calculated to induce or urge any Participant or contractor of the Company to discontinue, in whole or in part, his/her employment relationship or engagement with the Company.

(c) "Company Personnel" means any person who was employed by the Company during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company and either (i) with whom Participant had direct contact for business purposes, or (ii) whom Participant knew about because of Participant's access to the Company's Confidential Information or trade secrets.

### **3. Non-Solicitation Covenant – Customer**

(a) Participant agrees that, during Participant's employment or service with the Company, and during the Non-Solicit Period, Participant will not directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, aid, or induce any Customer of the Company to purchase goods or services then sold by the Company from another person or entity, or assist or aid any other persons or entity in identifying or soliciting any such Customer(s); or

(ii) initiate any contact or communication with any Customer regarding any new employment or business affiliation Participant may accept or be intending to accept following separation of Participant's employment with the Company; or

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(iii) otherwise interfere with the relationship of the Company with any of their Participants, customers, vendors, agents, or representatives.

(b) "Customer(s)" means a customer (person or entity) of the Company that Participant, directly or indirectly (e.g., through employees whom Participant supervised), called upon, solicited, worked with, or became acquainted with at any time during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant's employment or service with the Company, Participant will be acting as a representative of the Company and will be using the Company's assets and resources, and will be benefiting from the Company's goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company's legitimate business interests. Participant agrees that the covenants in this paragraph will apply to all Customers as defined above, even if the identity of certain Customers of the Company may be publicly known, and even if Participant knew or had previous dealings with one or more such Customers prior to Participant's employment with the Company.

**4. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

(b) Participant agrees that in the event Participant breaches a fiduciary duty to the Company, or unlawfully takes the Company's property, then the Restricted Period shall be extended for the duration of the two year period immediately following the termination of Participant's employment or services with the Company.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the injunctive relief to which Participant consents hereinabove, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

**5. Notice of Restrictive Covenants**

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to

accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

## **6. Modification & Severability**

If any section, provision, paragraph, phrase, word, and/or line (collectively "Provision") of this RC Agreement is held to be unenforceable, then this RC Agreement will be deemed amended to the extent necessary to render the otherwise unenforceable Provision, and the rest of this RC Agreement, valid and enforceable. If a court or arbitrator declines to amend this RC Agreement as provided herein, the invalidity or unenforceability of any Provision of this RC Agreement shall not affect the validity or enforceability of the remaining Provisions, which shall be enforced as if the offending Provision had not been included in this RC Agreement.

## **7. Choice of Law, Jurisdiction & Venue**

(a) This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

(b) Participant and the Company agree that the exclusive and mandatory venue for adjudicating any disputes under this RC Agreement shall be the United States District Court for the District of Massachusetts, or the Suffolk County Superior Court. In the event a dispute is litigated in the Massachusetts Superior Court, the Company and Participant hereby agree that they will request that the case be assigned to the Business Litigation Sessions located in the Suffolk County Superior Court. Participant and the Company hereby consent to jurisdiction in such courts for such purpose, and specifically waive any objection to venue in Suffolk County. Participant consents to service of process by mail in respect of any such suit, action or proceeding. Participant and the Company further agree not to file any action relating in any way to this RC Agreement in any court other than as specified in this Section 7(b), and not to file any motion to transfer venue out of the court(s) specified herein (whether by motion to transfer or motion to dismiss on forum non conveniens grounds). Notwithstanding any of the foregoing, if any dispute under this Agreement is subject to resolution by arbitration under an agreement or program agreed to by Participant and the Company, then such arbitration shall be the sole and exclusive venue for adjudicating such disputes, other than any requests for a temporary restraining order and/or a temporary or preliminary injunction pending arbitration, which are reserved exclusively for adjudication in courts specified herein pursuant to Section 4 above even in otherwise arbitrable disputes.

## **8. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and

or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

#### **9. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.

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V7 – OK Version

*Exhibit A to ADT, Inc. 2018 Omnibus Incentive Plan Award Agreement*

#### **RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement ("RC Agreement"), the Omnibus Incentive Plan Participant (the "Participant") agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, "the Company" includes ADT Inc. and its Subsidiaries and Affiliates.

(a) Participant hereby agrees that during Participant's employment or service with the Company, and thereafter, Participant will not use or disclose "Confidential Information" related to any business of the Company.

(b) As used in this RC Agreement, "Confidential Information" means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company's finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company's personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. "Confidential Information" does not include information regarding Participants' terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant's attorney and use the trade secret information in related court proceedings,

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provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

## **2. Non-Solicitation Covenant – ADT Personnel**

(a) Participant agrees that, during Participant's employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the two (2) year period after separation of Participant's employment or service with the Company (the "Non-Solicit Period"), Participant will not, directly or indirectly, on Participant's own behalf or on behalf of another solicit any Company Personnel to leave their employment with the Company in order to accept employment with or render services to another person or entity unaffiliated with the Company, or knowingly take any action to assist or aid any other person or entity in soliciting any such Company Personnel.

(b) "Company Personnel" means any person who was employed by the Company during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company and either (i) with whom Participant had direct contact for business purposes, or (ii) whom Participant knew about because of Participant's access to the Company's Confidential Information or trade secrets.

### **3. Non-Solicitation Covenant – Customer**

(a) Participant agrees that during the Non-Solicit Period, Participant will not directly solicit any Customer of the Company to purchase goods or services, or a combination of goods and services, then sold by the Company from another person or entity.

(b) “Customer(s)” means an established customer (person or entity) of the Company that Participant, directly or indirectly (*e.g.*, through employees whom Participant supervised), called upon, solicited, worked with, or became acquainted with at any time during the twenty-four (24) month period prior to Participant’s last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant’s employment or service with the Company, Participant will be acting as a representative of the Company and will be using the Company’s assets and resources, and will be benefiting from the Company’s goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company’s legitimate business interests.

### **4. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be

adequate to compensate the Company or to preserve the status quo. Therefore, Participant consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants contained in this RC Agreement.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the injunctive relief to which Participant consents hereinabove, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

#### **5. Notice of Restrictive Covenants**

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

#### **6. Modification & Severability**

If any section, provision, paragraph, phrase, word, and/or line (collectively "Provision") of this RC Agreement is held to be unenforceable, then this RC Agreement will be deemed amended to the extent necessary to render the otherwise unenforceable Provision, and the rest of this RC Agreement, valid and enforceable. If a court or arbitrator declines to amend this RC Agreement as provided herein, the invalidity or unenforceability of any Provision of this RC Agreement shall not affect the validity or enforceability of the remaining Provisions, which shall be enforced as if the offending Provision had not been included in this RC Agreement.

#### **7. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

#### **8. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

#### **9. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.

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V8 – LA/SD Version

*Exhibit A to ADT, Inc. 2018 Omnibus Incentive Plan Award Agreement*

#### **RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement ("RC Agreement"), the Omnibus Incentive Plan Participant (the "Participant") agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, "the Company" includes ADT Inc. and its Subsidiaries and Affiliates.

(a) Participant hereby agrees that during Participant's employment or service with the Company, and thereafter, Participant will not use or disclose "Confidential Information" related to any business of the Company.

(b) As used in this RC Agreement, "Confidential Information" means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company's finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company's personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. "Confidential Information" does not include information regarding Participants' terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant's attorney and use the trade secret information in related court proceedings,

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provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

## 2. Non-Competition Covenant

(a) Participant agrees that, during Participant's employment or service with the Company, and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the one (1) year period after separation of Participant's employment or service with the Company (the "Non-Compete Period"), Participant will not, in the Restricted Territory, provide services to, or be employed by, any person or entity engaged in any business similar to that of the Company that is competitive with either (A) the line of business or businesses of the Company that Participant was employed with during the twelve (12) months preceding Participant's separation of employment or services with the Company, or (B) any other business of the Company with respect to which Participant had substantial exposure during the twelve (12) months preceding Participant's separation of employment or services with the Company.

(b) Participant's agreement not to provide such services applies regardless of whether Participant does so as an employee, owner, partner, principal, advisor, independent contractor, consultant, agent, officer, director, investor, or shareholder. Notwithstanding the foregoing,

consultant, agent, officer, director, investor, or shareholder. Notwithstanding the foregoing, Participant's ownership of less than 1% of the outstanding shares of a publicly traded company that constitutes a competitor as described in Section 2(a) above shall not be deemed to be providing services to such competitor solely by virtue of owning such shares.

(c) For purposes of this RC Agreement, the business of the Company is as follows:

(i) If Participant was employed with or provided services to ADT LLC at any time during the twelve (12) months immediately preceding termination of employment or services, then the business of the Company is to sell, install, monitor and/or maintain security, fire, life safety and automation equipment and services for residential and small business premises, including burglar alarm systems, security cameras, home automation and access control systems, as well as intrusion, temperature, flood, fire, smoke, carbon monoxide, emergency, medical alert and fall detection monitoring and response services.

(ii) If Participant was employed with or providing services to ADT Commercial LLC at any time during the twelve (12) months immediately preceding termination of employment or services, then the business of the Company is to sell, install, monitor and/or maintain security, fire, and life safety services and to provide risk consulting solutions for commercial, governmental and other institutional settings, including burglar alarm systems, security cameras, and fire suppression and access control systems, as well as response services.

(iii) If Participant was employed with or providing services to both ADT LLC and ADT Commercial LLC at any time during the twelve (12) months immediately preceding termination of employment or services, either simultaneously or at different times during that time period, then the business of the Company is both the definitions set forth in sections 1(c)(i) and (ii) above.

(iv) Participant acknowledges that Participant is familiar with the business of the Company sufficiently to understand the nature of the Company's business and that no further definition of the business of the Company is necessary.

(d) "Restricted Territory" is defined as follows:

(i) If Participant last worked for or provided services to the Company in Louisiana, "Restricted Territory" means any of the following Parishes in Louisiana: Plaquemines, Jefferson, St. Bernard, Orleans, St. Charles, St. John the Baptist, St. James, Lafourche, Terrebonne, St. Tammany, St. Mary, Assumption, Ascension, Livingston, Tangipahoa, Washington, St. Helen, East Feliciana, West Feliciana, East Baton Rouge, West Baton Rouge, Iberville, Pointe Coupee, Iberia, Vermilion, Lafayette, St. Martin, Acadia, St. Landry, Jefferson Davis, Cameron, Calcasieu, Beauregard, Allen, Evangeline, Avoyelles, Rapides, Vernon, Concordia, Catahoula, LaSalle, Grant, Natchitoches, Sabine, DeSoto, Red River, Winn, Catahoula, Tensas, Franklin, Madison, Richland, Ouachita, Jackson, Bienville, Lincoln, Caddo, Bossier, Webster, Claiborne, Union, Morehouse, West Carroll, East Carroll.

(ii) If Participant last worked for or provided services to the Company in South Dakota or any other state, territory or District, "Restricted Territory" means the geographic area or areas for which Employee was responsible at any time during the twelve (12) months immediately preceding Employee's termination of employment with the Company.

### **3. Non-Solicitation Covenant – ADT Personnel**

(a) Participant agrees that, during Participant's employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the one (1) year period after separation of Participant's employment or service with the Company (the "Non-Solicit Period"), Participant will not, in the Restricted Territory, directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, recruit, aid, or induce any Company Personnel to leave their employment with the Company in order to accept employment with or render services to another person or entity unaffiliated with the Company, or knowingly take any action to assist or aid any other person or entity in identifying, soliciting, recruiting, inducing or hiring any such Company Personnel; or

(ii) otherwise interfere with the relationship of the Company with any Company Personnel.

(b) Participant agrees that during the Non-Solicit Period, Participant shall not, directly or indirectly, engage in any conduct intended or reasonably calculated to induce or urge any Participant or contractor of the Company to discontinue, in whole or in part, his/her employment relationship or engagement with the Company.

with whom Participant had direct contact for business purposes during the twelve (12) month period prior to Participant's last day of employment or service with the Company.

#### **4. Non-Solicitation Covenant – Customer**

(a) Participant agrees that, during Participant's employment or service with the Company, and during the Non-Solicit Period, Participant will not, in the Restricted Territory, directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, aid, or induce any Customer of the Company to purchase goods or services then sold by the Company from another person or entity, or assist or aid any other persons or entity in identifying or soliciting any such Customer(s); or

(ii) otherwise interfere with the relationship of the Company with any of their Participants, customers, vendors, agents, or representatives.

(b) "Customer(s)" means an existing customer (person or entity) of the Company that Participant, directly or indirectly (e.g., through employees whom Participant supervised), called upon, solicited, or worked with at any time during the twelve (12) month period prior to Participant's last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant's employment or service with the Company, Participant will be acting as a representative of the Company and will be using the Company's assets and resources, and will be benefiting from the Company's goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company's legitimate business interests. Participant agrees that the covenants in this paragraph will apply to all Customers as defined above, even if the identity of certain Customers of the Company may be publicly known, and even if Participant knew or had previous dealings with one or more such Customers prior to Participant's employment with the Company.

#### **5. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants

contained in this RC Agreement, but in no event longer than 24 months from the date of Participant's termination of employment of services with the Company.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the injunctive relief to which Participant consents hereinabove, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

## **6. Notice of Restrictive Covenants**

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

## **7. Modification & Severability**

If any section, provision, paragraph, phrase, word, and/or line (collectively "Provision") of this RC Agreement is held to be unenforceable, then the invalidity or unenforceability of any Provision of this RC Agreement shall not affect the validity or enforceability of the remaining Provisions, which shall be enforced as if the offending Provision had not been included in this RC Agreement.

It is the intention of the parties that, if any court or other tribunal construes any provision or clause of this RC Agreement, or any portion thereof, to be illegal, void or unenforceable because of the duration of such provision or the area or matter covered thereby, such court shall reduce the duration, area, or matter of such provision to the extent permitted by law, and, in its reduced form, such provision shall then be enforceable and shall be enforced.

## **8. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

## **9. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and

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any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

## **10. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to

This RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.

*Exhibit A to ADT, Inc. 2018 Omnibus Incentive Plan Award Agreement*

**RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement (“RC Agreement”), the Omnibus Incentive Plan Participant (the “Participant”) agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, “the Company” includes ADT Inc. and its Subsidiaries and Affiliates.

**1. Confidentiality and Trade Secrets**

(a) Participant hereby agrees that during Participant’s employment or service with the Company, and thereafter, Participant will not use or disclose “Confidential Information” related to any business of the Company.

(b) As used in this RC Agreement, “Confidential Information” means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company’s finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company’s personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. “Confidential Information” does not include information regarding Participants’ terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Participant understands and agrees that Participant’s agreement not to use or disclose Confidential Information and trade secrets includes, but is not limited to, that Participant will not, directly or indirectly: (i) use Company trade secrets to identify or target existing customers for Participant’s own personal benefit or the benefit of any other firm or entity; (ii) use trade secrets to facilitate the solicitation, for Participant’s own personal benefit or the benefit of any other firm or entity, of any existing customers; and/or (iii) use trade secrets to otherwise unfairly compete with the Company.

(d) Permitted Disclosures.

United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant's attorney and use the trade secret information in related court proceedings, provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

(ii) The foregoing sections 1(a)-(c) will not apply to information that (i) arises from Participant's general training, knowledge, skill, or expertise, whether gained on the job or otherwise; (ii) was known to the public prior to its disclosure to Participant; (iii) becomes known to the public subsequent to disclosure to Participant through no wrongful act of Participant or any representative of Participant; (iv) Participant has a right to disclose as legally protected conduct; or (v) Participant is required to disclose by applicable law, regulation or legal process (provided that Participant provides the Employer with prior notice of the contemplated disclosure and reasonably cooperates with the Employer at its expense in seeking a protective order or other appropriate protection of such information). Despite clauses (ii) and (iii) of the preceding sentence, Participant's obligation to maintain such disclosed information in confidence will not terminate where only portions of the information are in the public domain.

## 2. Non-Competition Covenant

(a) Participant agrees that, during Participant's employment or service with the Company, and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the one (1) year period after separation of Participant's employment or service with the Company (the "Non-Compete Period"), Participant will not directly or indirectly, own, manage, operate, control (including indirectly through a debt or equity investment), provide services to, or be employed by, any person or entity engaged in any business that is both:

(i) located in, or provides services or products to, a region with respect to which Participant had substantial responsibilities during the twenty-four (24) months preceding Participant's separation of employment or services with the Company; and

(ii) competitive with either (A) the line of business or businesses of the Company that Participant was employed with during the twenty-four (24) months preceding Participant's separation of employment or services with the Company (including any prospective business to be developed or acquired that was proposed at the date of separation), or (B) any other business of the Company with respect to which

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Participant had substantial exposure during the twenty-four (24) months preceding Participant's separation of employment or services with the Company.

(b) Participant's agreement not to provide such services applies regardless of whether Participant does so as an employee, owner, partner, principal, advisor, independent contractor, consultant, agent, officer, director, investor, or shareholder. Notwithstanding the foregoing, Participant's ownership of less than 1% of the outstanding shares of a publicly traded company that constitutes a competitor as described in Section 2(a) above shall not be deemed to be providing services to such competitor solely by virtue of owning such shares.

(a) Participant agrees that, during Participant's employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the two (2) year period after separation of Participant's employment or service with the Company (the "Non-Solicit Period"), Participant will not, directly or indirectly, on Participant's own behalf or on behalf of another, solicit any Company Personnel to leave their employment with the Company.

(b) "Company Personnel" means any person who was employed by the Company during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company, (i) with whom Participant had direct contact for business purposes, or (ii) whom Participant knew about because of Participant's access to the Company's Confidential Information or trade secrets.

#### **4. Non-Solicitation Covenant – Customer**

(a) Participant agrees that, during Participant's employment or service with the Company, and during the Non-Solicit Period, Participant will not directly or indirectly, on Participant's own behalf or on behalf of another, solicit, aid, or induce any Customer of the Company to purchase goods or services then sold by the Company from another person or entity, or assist or aid any other persons or entity in identifying or soliciting any such Customer(s).

(b) "Customer(s)" means a customer (person or entity) of the Company that Participant, directly or indirectly (e.g., through employees whom Participant supervised), called upon, solicited, worked with, or became acquainted with at any time during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant's employment or service with the Company, Participant will gain trade secret information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company's legitimate business interests.

#### **5. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC

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Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants contained in this RC Agreement.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the injunctive relief to which Participant consents hereinabove, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

**7. Modification & Severability**

If any section, provision, paragraph, phrase, word, and/or line (collectively "Provision") of this RC Agreement is held to be unenforceable, then this RC Agreement will be deemed amended to the extent necessary to render the otherwise unenforceable Provision, and the rest of this RC Agreement, valid and enforceable. If a court or arbitrator declines to amend this RC Agreement as provided herein, the invalidity or unenforceability of any Provision of this RC Agreement shall not affect the validity or enforceability of the remaining Provisions, which shall be enforced as if the offending Provision had not been included in this RC Agreement.

**8. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

## **9. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

## **10. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.

## **RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement (“RC Agreement”), the Omnibus Incentive Plan Participant (the “Participant”) agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, “the Company” includes ADT Inc. and its Subsidiaries and Affiliates.

### **1. Confidentiality**

(a) Participant hereby agrees that during Participant’s employment or service with the Company, and thereafter, Participant will not use or disclose “Confidential Information” related to any business of the Company.

(b) As used in this RC Agreement, “Confidential Information” means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company’s finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company’s personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. “Confidential Information” does not include information regarding Participants’ terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant’s attorney and use the trade secret information in related court proceedings,

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provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

### **2. Non-Solicitation Covenant – ADT Personnel**

(a) Participant agrees that, during Participant’s employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant’s Retirement from employment or service through the final Vesting Date, or (b) the two (2) year period after separation of Participant’s employment or service with the Company (the “Non-Solicit Period”), Participant will not, directly or indirectly, on Participant’s own behalf or on behalf of another:

(i) solicit, recruit, aid, or induce any Company Personnel to leave their employment with the Company in order to accept employment with or render services to another person or entity unaffiliated with the Company, or knowingly take any action to assist or aid any other person or entity in identifying, soliciting, recruiting, inducing or hiring any such Company Personnel; or

(ii) otherwise interfere with the relationship of the Company with any Company Personnel.

(b) Participant agrees that during the Non-Solicit Period, Participant shall not, directly or indirectly, engage in any conduct intended or reasonably calculated to induce or urge any Participant or contractor of the Company to discontinue, in whole or in part, his/her employment relationship or engagement with the Company.

(c) "Company Personnel" means any person who was employed by the Company during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company and either (i) with whom Participant had direct contact for business purposes, or (ii) whom Participant knew about because of Participant's access to the Company's Confidential Information or trade secrets.

### **3. Non-Solicitation Covenant – Customer**

(a) Participant agrees that, during Participant's employment or service with the Company, and during the Non-Solicit Period, Participant will not directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, aid, or induce any Customer of the Company to purchase goods or services then sold by the Company from another person or entity, or assist or aid any other persons or entity in identifying or soliciting any such Customer(s); or

(ii) initiate any contact or communication with any Customer regarding any new employment or business affiliation Participant may accept or be intending to accept following separation of Participant's employment with the Company; or

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(iii) otherwise interfere with the relationship of the Company with any of their Participants, customers, vendors, agents, or representatives.

(b) "Customer(s)" means a customer (person or entity) of the Company that Participant, directly or indirectly (e.g., through employees whom Participant supervised), called upon, solicited, worked with, or became acquainted with at any time during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant's employment or service with the Company, Participant will be acting as a representative of the Company and will be using the Company's assets and resources, and will be benefiting from the Company's goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company's legitimate business interests. Participant agrees that the covenants in this paragraph will apply to all Customers as defined above, even if the identity of certain Customers of the Company may be publicly known, and even if Participant knew or had previous dealings with one or more such Customers prior to Participant's employment with the Company.

**4. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

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Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to accepting employment, engagement as a consultant or contractor, or engaging in a business

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Participant’s signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant’s acceptance of and agreement to

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*Exhibit A to ADT, Inc. 2018 Omnibus Incentive Plan Award Agreement*

**RESTRICTIVE COVENANT AGREEMENT**

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provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

## **2. Non-Solicitation Covenant – ADT Personnel**

(a) Participant agrees that, during Participant's employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the one(1) year period after separation of Participant's employment or service with the Company (the "Non-Solicit Period"), Participant will not, directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, recruit, aid, or induce any Company Personnel to leave their employment with the Company in order to accept employment with or render services to another person or entity unaffiliated with the Company, or knowingly take any action to assist or aid any other person or entity in identifying, soliciting, recruiting, inducing or hiring any such Company Personnel; or

(ii) otherwise interfere with the relationship of the Company with any *Company Personnel*

(b) Participant agrees that during the Non-Solicit Period, Participant shall not, directly or indirectly, engage in any conduct intended or reasonably calculated to induce or urge any Participant or contractor of the Company to discontinue, in whole or in part, his/her employment relationship or engagement with the Company.

(c) "Company Personnel" means any person who was employed by the Company during the twelve (12) month period prior to Participant's last day of employment or service with the Company and with whom Participant had direct contact for business purposes.

### **3. Non-Solicitation Covenant – Customer**

(a) Participant agrees that, during Participant's employment or service with the Company, and during the Non-Solicit Period, Participant will not directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, aid, or induce any Customer of the Company to purchase goods or services then sold by the Company from another person or entity, or assist or aid any other persons or entity in identifying or soliciting any such Customer(s); or

(ii) otherwise interfere with the relationship of the Company with any of their Participants, customers, vendors, agents, or representatives.

(b) "Customer(s)" means an existing customer (person or entity) of the Company that Participant, directly or indirectly (*e.g.*, through employees whom Participant supervised), called upon, solicited, or worked with at any time during the twelve (12) month period prior to Participant's last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant's employment or service with the Company, Participant will be acting as a representative of the Company and will be using the Company's assets and resources, and will be benefiting from the Company's goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company's legitimate business interests. Participant agrees that the covenants in this paragraph will apply to all Customers as defined above, even if the identity of certain Customers of the Company may be publicly known, and even if Participant knew or had previous dealings with one or more such Customers prior to Participant's employment with the Company.

#### **4. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants contained in this RC Agreement.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the injunctive relief to which Participant consents hereinabove, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

#### **5. Notice of Restrictive Covenants**

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

#### **6. Modification & Severability**

If any section, provision, paragraph, phrase, word, and/or line (collectively “Provision”) of this RC Agreement is held to be unenforceable, then the invalidity or unenforceability of any Provision of this RC Agreement shall not affect the validity or enforceability of the remaining Provisions, which shall be enforced as if the offending Provision had not been included in this RC Agreement.

It is the intention of the parties that, if any court or arbitrator construes any provision or clause of this RC Agreement, or any portion thereof, to be illegal, void or unenforceable because of the duration of such provision or the area or matter covered thereby, such court shall reduce the duration, area, or matter of such provision to the extent permitted by law, and, in its reduced form, such provision shall then be enforceable and shall be enforced.

#### **7. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction’s conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

#### **8. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

#### **9. Attorneys’ Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys’ fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant’s signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant’s acceptance of and agreement to

V12 – Red Pencil Version (NE,VA,WY)

*Exhibit A to ADT, Inc. 2018 Omnibus Incentive Plan Award Agreement*

**RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement (“RC Agreement”), the Omnibus Incentive Plan Participant (the “Participant”) agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, “the Company” includes ADT Inc. and its Subsidiaries and Affiliates.

**1. Confidentiality**

(a) Participant hereby agrees that during Participant’s employment or service with the Company, and thereafter, Participant will not use or disclose “Confidential Information” related to any business of the Company.

(b) As used in this RC Agreement, “Confidential Information” means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company’s finances, accounting, business plans, strategic

plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company's personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. "Confidential Information" does not include information regarding Participants' terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant's attorney and use the trade secret information in related court proceedings,

provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

## **2. Non-Solicitation Covenant – ADT Personnel**

Participant agrees that, during Participant's employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the one (1) year period after separation of Participant's employment or service with the Company (the "Non-Solicit Period"), Participant will not solicit any current employee of the Company with whom Employee had personal contact during the 18 months immediately preceding Employee's last day of employment with the Company.

## **3. Non-Solicitation Covenant – Customer**

(a) Participant agrees that, during Participant's employment or service with the Company, and during the Non-Solicit Period, Participant will not solicit any Customers.

(b) "Customer(s)" means a current customer (person or entity) of the Company with which Participant actually did business and had personal contact during the 18 months immediately preceding Participant's last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant's employment or service with the Company, Participant will be acting as a representative of the Company and will be using the Company's assets and resources, and will be benefiting from the Company's goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company's legitimate business interests.

## **4. Separate and Severable Covenants**

The restrictive covenants set forth in Sections 2 and 3 above are intended by the Parties to be separate and severable covenants. If either Section 2 or Section 3 is held to be unenforceable, the invalidity or unenforceability of that Section shall not affect the validity or enforceability of the remaining Section, which shall be enforced as if the offending Section had not been included in this Agreement.

## **5. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

## **6. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

#### **7. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.

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V13 – CA/ND Version

*Exhibit A to ADT, Inc. 2018 Omnibus Incentive Plan Award Agreement*

#### **RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement ("RC Agreement"), the Omnibus Incentive Plan Participant (the "Participant") agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, "the Company" includes ADT Inc. and its Subsidiaries and Affiliates.

(a) Participant hereby agrees that during Participant's employment or service with the Company, and thereafter, Participant will not use or disclose "Confidential Information" related to any business of the Company.

(b) As used in this RC Agreement, "Confidential Information" means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company's finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company's personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. "Confidential Information" does not include information regarding Participants' terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Participant understands and agrees that Participant's agreement not to use or disclose Confidential Information and trade secrets includes, but is not limited to, that Participant will not, directly or indirectly: (i) use Company trade secrets to identify or target existing customers for Participant's own personal benefit or the benefit of any other firm or entity; (ii) use trade secrets to facilitate the solicitation, for Participant's own personal benefit or the benefit of any other firm or entity, of any existing customers; and/or (iii) use trade secrets to otherwise unfairly compete with the Company.

(d) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any

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federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant's attorney and use the trade secret information in related court proceedings, provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

## 2. Non-Solicitation Covenant – ADT Personnel

(a) Participant agrees that, during Participant's employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the two (2) year period after separation of Participant's employment or service with the Company (the "Non-Solicit Period"), Participant will not, directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, recruit, aid, or induce any Company personnel to leave their employment with the Company in order to accept employment with or render services to another person or entity unaffiliated with the Company, or knowingly take any action to assist or aid any other person or entity in identifying, soliciting, recruiting, inducing or hiring any such Company Personnel; or

(ii) otherwise interfere with the relationship of the Company with any Company Personnel.

(b) Participant agrees that during the Non-Solicit Period, Participant shall not, directly or indirectly, engage in any conduct intended or reasonably calculated to induce or urge any Participant or contractor of the Company to discontinue, in whole or in part, his/her employment relationship or engagement with the Company.

(c) "Company Personnel" means any person who was employed by the Company during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company, (i) with whom Participant had direct contact for business purposes, or (ii) whom Participant knew about because of Participant's access to the Company's Confidential Information or trade secrets.

### **3. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant

consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants contained in this RC Agreement.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the injunctive relief to which Participant consents hereinabove, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

#### **4. Notice of Restrictive Covenants**

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

#### **5. Modification & Severability**

If any section, provision, paragraph, phrase, word, and/or line (collectively "Provision") of this RC Agreement is held to be unenforceable, then this RC Agreement will be deemed amended to the extent necessary to render the otherwise unenforceable Provision, and the rest of this RC Agreement, valid and enforceable. If a court or arbitrator declines to amend this RC Agreement as provided herein, the invalidity or unenforceability of any Provision of this RC Agreement shall not affect the validity or enforceability of the remaining Provisions, which shall be enforced as if the offending Provision had not been included in this RC Agreement.

#### **6. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

#### **7. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and

or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

#### **8. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.

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V14 – LA/SD Version

*Exhibit A to ADT, Inc. 2018 Omnibus Incentive Plan Award Agreement*

#### **RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement ("RC Agreement"), the Omnibus Incentive Plan Participant (the "Participant") agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, "the Company" includes ADT Inc. and its Subsidiaries and Affiliates.

(a) Participant hereby agrees that during Participant's employment or service with the Company, and thereafter, Participant will not use or disclose "Confidential Information" related to any business of the Company.

(b) As used in this RC Agreement, "Confidential Information" means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company's finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company's personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. "Confidential Information" does not include information regarding Participants' terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant's attorney and use the trade secret information in related court proceedings,

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provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

## **2. Non-Solicitation Covenant – ADT Personnel**

(a) Participant agrees that, during Participant's employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the one (1) year period after separation of Participant's employment or service with the Company (the "Non-Solicit Period"), Participant will not, in the Restricted Territory, directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, recruit, aid, or induce any Company Personnel to leave their employment with the Company in order to accept employment with or render services to another person or entity unaffiliated with the Company, or knowingly take any action to assist or aid any other person or entity in identifying, soliciting, recruiting, inducing or hiring any such Company Personnel; or

(ii) otherwise interfere with the relationship of the Company with any *Company Personnel*

(b) Participant agrees that during the Non-Solicit Period, Participant shall not, directly or indirectly, engage in any conduct intended or reasonably calculated to induce or urge any Participant or contractor of the Company to discontinue, in whole or in part, his/her employment relationship or engagement with the Company.

(c) "Company Personnel" means any person who was employed by the Company and with whom Participant had direct contact for business purposes during the twelve (12) month period prior to Participant's last day of employment or service with the Company.

### **3. Non-Solicitation Covenant – Customer**

(a) Participant agrees that, during Participant's employment or service with the Company, and during the Non-Solicit Period, Participant will not, in the Restricted Territory, directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, aid, or induce any Customer of the Company to purchase goods or services then sold by the Company from another person or entity, or assist or aid any other persons or entity in identifying or soliciting any such Customer(s); or

(ii) otherwise interfere with the relationship of the Company with any of their Participants, customers, vendors, agents, or representatives.

(b) "Customer(s)" means an existing customer (person or entity) of the Company that Participant, directly or indirectly (*e.g.*, through employees whom Participant supervised), called upon, solicited, or worked with at any time during the twelve (12) month period prior to Participant's last day of employment or service with the Company.

(c) For purposes of this RC Agreement, the business of the Company is as follows:

(i) If Participant was employed with or provided services to ADT LLC at any time during the twelve (12) months immediately preceding termination of employment or services, then the business of the Company is to sell, install, monitor and/or maintain security, fire, life safety and automation equipment and services for residential and small business premises, including burglar alarm systems, security cameras, home automation and access control systems, as well as intrusion, temperature, flood, fire, smoke, carbon monoxide, emergency, medical alert and fall detection monitoring and response services.

(ii) If Participant was employed with or providing services to ADT Commercial LLC at any time during the twelve (12) months immediately preceding termination of employment or services, then the business of the Company is to sell, install, monitor and/or maintain security, fire, and life safety services and to provide risk consulting solutions for commercial, governmental and other institutional settings, including burglar alarm systems, security cameras, and fire suppression and access control systems, as well as response services.

(iii) If Participant was employed with or providing services to both ADT LLC and ADT Commercial LLC at any time during the twelve (12) months immediately preceding termination of employment or services, either simultaneously or at different times during that time period, then the business of the Company is both the definitions set forth in sections 1(c)(i) and (ii) above.

(iv) Participant acknowledges that Participant is familiar with the business of the Company sufficiently to understand the nature of the Company's business and that no further definition of the business of the Company is necessary.

(d) "Restricted Territory" is defined as follows:

(i) If Participant last worked for or provided services to the Company in Louisiana, "Restricted Territory" means any of the following Parishes in Louisiana: Plaquemines, Jefferson, St. Bernard, Orleans, St. Charles, St. John the Baptist, St. James, Lafourche, Terrebonne, St. Tammany, St. Mary, Assumption, Ascension, Livingston, Tangipahoa, Washington, St. Helen, East Feliciana, West Feliciana, East Baton Rouge, West Baton Rouge, Iberville, Pointe Coupee, Iberia, Vermilion, Lafayette, St. Martin, Acadia, St. Landry, Jefferson Davis, Cameron, Calcasieu, Beauregard, Allen, Evangeline, Avoyelles, Rapides, Vernon, Concordia, Catahoula, LaSalle, Grant, Natchitoches, Sabine, DeSoto, Red River, Winn, Catahoula, Tensas, Franklin, Madison, Richland, Ouachita, Jackson, Bienville, Lincoln, Caddo, Bossier, Webster, Claiborne, Union, Morehouse, West Carroll, East Carroll.

(ii) If Participant last worked for or provided services to the Company in South Dakota or any other state, territory or District, "Restricted Territory" means the geographic area or areas for which Employee was responsible at any time during the twelve (12) months immediately preceding Employee's termination of employment with the Company.

with the Company, Participant will be acting as a representative of the Company and will be using the Company's assets and resources, and will be benefiting from the Company's goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company's legitimate business interests. Participant agrees that the covenants in this paragraph will apply to all Customers as defined above, even if the identity of certain Customers of the Company may be publicly known, and even if Participant knew or had previous dealings with one or more such Customers prior to Participant's employment with the Company.

#### **4. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants contained in this RC Agreement, but in no event longer than 24 months from the date of Participant's termination of employment of services with the Company.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the injunctive relief to which Participant consents hereinabove, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

#### **5. Notice of Restrictive Covenants**

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

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#### **6. Modification & Severability**

If any section, provision, paragraph, phrase, word, and/or line (collectively "Provision") of this RC Agreement is held to be unenforceable, then the invalidity or unenforceability of any Provision of this RC Agreement shall not affect the validity or enforceability of the remaining Provisions, which shall be enforced as if the offending Provision had not been included in this RC Agreement.

It is the intention of the parties that, if any court or other tribunal construes any provision or clause of this RC Agreement, or any portion thereof, to be illegal, void or unenforceable because of the duration of such provision or the area or matter covered thereby, such court shall

because of the duration of such provision or the area or matter covered thereby, such court shall reduce the duration, area, or matter of such provision to the extent permitted by law, and, in its reduced form, such provision shall then be enforceable and shall be enforced.

#### **7. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

#### **8. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

#### **9. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to

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comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.

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*Exhibit A to ADT, Inc. 2018 Omnibus Incentive Plan Award Agreement*

**RESTRICTIVE COVENANT AGREEMENT**

By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement (“RC Agreement”), the Omnibus Incentive Plan Participant (the “Participant”) agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, “the Company” includes ADT Inc. and its Subsidiaries and Affiliates.

**1. Confidentiality**

(a) Participant hereby agrees that during Participant’s employment or service with the Company, and thereafter, Participant will not use or disclose “Confidential Information” related to any business of the Company.

(b) As used in this RC Agreement, “Confidential Information” means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company’s finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company’s personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. “Confidential Information” does not include information regarding Participants’ terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant’s attorney and use the trade secret information in related court proceedings,

## **2. Non-Solicitation Covenant – ADT Personnel**

(a) Provided that Participant presently meets the statutory wage threshold set forth in Section 4 below, Participant agrees that, during Participant's employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the two (2) year period after separation of Participant's employment or service with the Company (the "Non-Solicit Period"), Participant will not, directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, recruit, aid, or induce any Company Personnel to leave their employment with the Company in order to accept employment with or render services to another person or entity unaffiliated with the Company, or knowingly take any action to assist or aid any other person or entity in identifying, soliciting, recruiting, inducing or hiring any such Company Personnel; or

(ii) otherwise interfere with the relationship of the Company with any Company Personnel.

(b) Participant agrees that during the Non-Solicit Period, Participant shall not, directly or indirectly, engage in any conduct intended or reasonably calculated to induce or urge any Participant or contractor of the Company to discontinue, in whole or in part, his/her employment relationship or engagement with the Company.

(c) "Company Personnel" means any person who was employed by the Company during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company, (i) with whom Participant had direct contact for business purposes, or (ii) whom Participant knew about because of Participant's access to the Company's Confidential Information or trade secrets.

## **3. Non-Solicitation Covenant – Customer**

(a) Provided that Participant presently meets the statutory wage threshold set forth in Section 4 below, Participant agrees that, during Participant's employment or service with the Company, and during the Non-Solicit Period, Participant will not directly or indirectly, on Participant's own behalf or on behalf of another:

(i) solicit, aid, or induce any Customer of the Company to purchase goods or services then sold by the Company from another person or entity, or assist or aid any other persons or entity in identifying or soliciting any such Customer(s); or

(ii) initiate any contact or communication with any Customer regarding any new employment or business affiliation Participant may accept or be intending to accept following separation of Participant's employment with the Company; or

(iii) otherwise interfere with the relationship of the Company with any of their Participants, customers, vendors, agents, or representatives.

(b) "Customer(s)" means a customer (person or entity) of the Company that Participant, directly or indirectly (e.g., through employees whom Participant supervised), called upon, solicited, worked with, or became acquainted with at any time during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant's employment or service with the Company, Participant will be acting as a representative of the Company and will be ~~using the Company's assets and resources, and will be benefiting from the Company's goodwill~~

using the Company's assets and resources, and will be benefiting from the Company's goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company's legitimate business interests. Participant agrees that the covenants in this paragraph will apply to all Customers as defined above, even if the identity of certain Customers of the Company may be publicly known, and even if Participant knew or had previous dealings with one or more such Customers prior to Participant's employment with the Company.

#### **4. Statutory Wage Threshold for Non-Solicitation Clauses; Attorney Review; 14 Days to Review RC Agreement**

(a) The non-solicitation clauses set forth in Sections 2 and 3 above do not apply to Participant unless, as of the time of execution of this RC Agreement, Participant's actual or expected annualized rate of earnings with the Company exceed Forty-five thousand dollars (\$45,000) per year (or such other amount as may later be established by subsequent statutory modifications) (hereinafter the "Wage Threshold"). If Participant does not meet with Wage Threshold, then Sections 2 and 3 of this RC Agreement are of no force or effect as to Participant.

(b) The Company advises Participant to have this RC Agreement reviewed by an attorney of Participant's own choosing to receive legal advice about the RC Agreement prior to Participant signing the RC Agreement.

(c) Participant acknowledges and agrees that Participant received at least 14 days to review this RC Agreement before Participant was required to sign the RC Agreement, although Participant may choose to sign in fewer than 14 days.

#### **5. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

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(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants contained in this RC Agreement.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the injunctive relief to which Participant consents hereinabove, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

#### **6. Notice of Restrictive Covenants**

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the

entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

## **7. Modification & Severability**

If any section, provision, paragraph, phrase, word, and/or line (collectively “Provision”) of this RC Agreement is held to be unenforceable, then this RC Agreement will be deemed amended to the extent necessary to render the otherwise unenforceable Provision, and the rest of this RC Agreement, valid and enforceable. If a court or arbitrator declines to amend this RC Agreement as provided herein, the invalidity or unenforceability of any Provision of this RC Agreement shall not affect the validity or enforceability of the remaining Provisions, which shall be enforced as if the offending Provision had not been included in this RC Agreement.

## **8. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction’s conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

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This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing

the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

#### **10. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.

## **RESTRICTIVE COVENANT AGREEMENT**

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(b) As used in this RC Agreement, “Confidential Information” means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company’s finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company’s personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. “Confidential Information” does not include information regarding Participants’ terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant’s attorney and use the trade secret information in related court proceedings,

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provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

### **2. Non-Solicitation Covenant – ADT Personnel**

(a) Participant agrees that, during Participant’s employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant’s Retirement from employment or service through the final Vesting Date, or (b) the two (2) year period after separation of Participant’s employment or service with the Company (the “Non-Solicit Period”), Participant will not, directly or indirectly, on Participant’s own behalf or on behalf of another ~~solicit any Company Personnel to leave their employment with the Company in~~

~~or shall or another solicit any Company personnel to leave their employment with the Company in order to accept employment with or render services to another person or entity unaffiliated with the Company, or knowingly take any action to assist or aid any other person or entity in soliciting any such Company Personnel.~~

(b) "Company Personnel" means any person who was employed by the Company during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company and either (i) with whom Participant had direct contact for business purposes, or (ii) whom Participant knew about because of Participant's access to the Company's Confidential Information or trade secrets.

### **3. Non-Solicitation Covenant – Customer**

(a) Participant agrees that during the Non-Solicit Period, Participant will not directly solicit any Customer of the Company to purchase goods or services, or a combination of goods and services, then sold by the Company from another person or entity.

(b) "Customer(s)" means an established customer (person or entity) of the Company that Participant, directly or indirectly (e.g., through employees whom Participant supervised), called upon, solicited, worked with, or became acquainted with at any time during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant's employment or service with the Company, Participant will be acting as a representative of the Company and will be using the Company's assets and resources, and will be benefiting from the Company's goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company's legitimate business interests.

### **4. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be

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adequate to compensate the Company or to preserve the status quo. Therefore, Participant consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants contained in this RC Agreement.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the injunctive relief to which Participant consents hereinabove, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

### **5. Notice of Restrictive Covenants**

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to

business venture, investors and/or any entity seeking to engage Participant's services, prior to accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

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## **7. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

## **8. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

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## **RESTRICTIVE COVENANT AGREEMENT**

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### **1. Confidentiality**

(a) Participant hereby agrees that during Participant’s employment or service with the Company, and thereafter, Participant will not use or disclose “Confidential Information” related to any business of the Company.

(b) As used in this RC Agreement, “Confidential Information” means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company’s finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company’s personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. “Confidential Information” does not include information regarding Participants’ terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Permitted Disclosures: Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant’s attorney and use the trade secret information in related court proceedings,

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provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

### **2. Non-Solicitation Covenant – ADT Personnel**

(a) Participant agrees that, during Participant’s employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant’s Retirement from employment or service through the final Vesting Date, or (b) the two (2) year period after separation of Participant’s employment or service with the Company, Participant will not, directly or indirectly, on Participant’s own behalf or on behalf of another, hire or ~~employ any agent, servant or employee of the Company who holds a position uniquely essential~~

employ any agent, servant or employee of the Company who holds a position uniquely essential to the management, organization, or service of the business of the Company.

### **3. Non-Solicitation Covenant – Customer**

(a) Participant agrees that, during Participant's employment or service with the Company, and during the 18-month period after separation of Employee's employment with the Company, Participant will not directly or indirectly, on Participant's own behalf or on behalf of another, solicit any Customer of the Company to purchase goods or services then sold by the Company from another person or entity, or assist or aid any other persons or entity in soliciting any such Customer(s), so long as the Company carries on a like business.

(b) "Customer(s)" means a current customer (person or entity) of the Company that Participant, directly or indirectly (e.g., through employees whom Participant supervised), called upon, solicited, worked with, or became acquainted with at any time during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company.

(c) Participant acknowledges that as a result of Participant's employment or service with the Company, Participant will be acting as a representative of the Company and will be using the Company's assets and resources, and will be benefiting from the Company's goodwill, name recognition, reputation, and experience in regard to these Customers, and Participant will gain Confidential Information about Company Customers, and consequently, the covenants set forth above are reasonable and necessary to protect the Company's legitimate business interests. Participant agrees that the covenants in this paragraph will apply to all Customers as defined above, even if the identity of certain Customers of the Company may be publicly known, and even if Participant knew or had previous dealings with one or more such Customers prior to Participant's employment with the Company.

### **4. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant

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(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants contained in this RC Agreement.

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By accepting the grant of equity hereunder, in addition to any other representations, warranties, and covenants set forth this Restrictive Covenant Agreement (“RC Agreement”), the Omnibus Incentive Plan Participant (the “Participant”) agrees to be subject to and comply with the following covenants. For purposes of this RC Agreement, “the Company” includes ADT Inc. and its Subsidiaries and Affiliates.

### **1. Confidentiality and Trade Secrets**

(a) Participant hereby agrees that during Participant’s employment or service with the Company, and thereafter, Participant will not use or disclose “Confidential Information” related to any business of the Company.

(b) As used in this RC Agreement, “Confidential Information” means any information or material, not generally known to the public, which may include, for example and without limitation, information and materials, in spoken, printed, electronic, or any other form or medium, relating or pertaining to the Company’s finances, accounting, business plans, strategic plans, personnel and management, development and projects, marketing plans, sales, products and services, pricing or pricing strategies, customer names and addresses and price lists, customer or prospective customer lists, other customer information (including, without limitation, customer methods of operation, requirements, preferences and history of dealings with the Company), vendor lists, vendor information (including, without limitation, their history of dealings with the Company), Participant files, skills, performance and qualifications of the Company’s personnel, other confidential information and trade secrets, secret formulations, techniques, methods, processes, technical information, inventions (whether patented or unpatented), copyrights, know-how, algorithms, computer programs, computer codes and related documentation, processes, research, development, licenses, permits, and compilations of any of the foregoing information relating to the actual or anticipated business of the Company, and confidential information of third parties which is given to the Company pursuant to an obligation or agreement to keep such information confidential. “Confidential Information” does not include information regarding Participants’ terms and conditions of employment or other rights protected under the National Labor Relations Act.

(c) Participant understands and agrees that Participant’s agreement not to use or disclose Confidential Information and trade secrets includes, but is not limited to, that Participant will not, directly or indirectly: (i) use Company trade secrets to identify or target existing customers for Participant’s own personal benefit or the benefit of any other firm or entity; (ii) use trade secrets to facilitate the solicitation, for Participant’s own personal benefit or the benefit of any other firm or entity, of any existing customers; and/or (iii) use trade secrets to otherwise unfairly compete with the Company.

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(d) Permitted Disclosures.

(i) Notwithstanding anything to the contrary in this Agreement, pursuant to United States federal law as set forth in 18 USC Section 1833(b), Participant understands that Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (1) confidentially to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a

lawsuit for retaliation by Employer for reporting a suspected violation of law, Participant may disclose such trade secrets to Participant's attorney and use the trade secret information in related court proceedings, provided that Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

(ii) The foregoing sections 1(a)-(c) will not apply to information that (i) arises from Participant's general training, knowledge, skill, or expertise, whether gained on the job or otherwise; (ii) was known to the public prior to its disclosure to Participant; (iii) becomes known to the public subsequent to disclosure to Participant through no wrongful act of Participant or any representative of Participant; (iv) Participant has a right to disclose as legally protected conduct; or (v) Participant is required to disclose by applicable law, regulation or legal process (provided that Participant provides the Employer with prior notice of the contemplated disclosure and reasonably cooperates with the Employer at its expense in seeking a protective order or other appropriate protection of such information). Despite clauses (ii) and (iii) of the preceding sentence, Participant's obligation to maintain such disclosed information in confidence will not terminate where only portions of the information are in the public domain.

## **2. Non-Solicitation Covenant – ADT Personnel**

(a) Participant agrees that, during Participant's employment or service with the Company and for the greater of (a) the period commencing with the date of the Participant's Retirement from employment or service through the final Vesting Date, or (b) the two (2) year period after separation of Participant's employment or service with the Company (the "Non-Solicit Period"), Participant will not, directly or indirectly, on Participant's own behalf or on behalf of another, solicit any Company Personnel to leave their employment with the Company.

(b) "Company Personnel" means any person who was employed by the Company during the twenty-four (24) month period prior to Participant's last day of employment or service with the Company, (i) with whom Participant had direct contact for business purposes, or (ii) whom Participant knew about because of Participant's access to the Company's Confidential Information or trade secrets.

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## **3. Injunctive Relief; Expedited Discovery**

(a) In the event that Participant breaches or threatens to breach, or the Company reasonably believes Participant is about to breach, any of the restrictive covenants in this RC Agreement, the Company will be entitled to injunctive relief, in addition to any other rights or remedies to which the Company may be entitled in law or equity. Participant agrees that the Company will suffer immediate and irreparable harm and that money damages will not be adequate to compensate the Company or to preserve the status quo. Therefore, Participant consents to the issuance of a temporary restraining order and other injunctive relief necessary to enforce this RC Agreement.

(b) Participant agrees that the duration of any injunction shall be increased in an amount equal to any period of time during which Participant failed to comply with the covenants contained in this RC Agreement.

(c) Participant and the Company agree that any application for temporary restraining order and/or temporary or preliminary injunctive relief shall be adjudicated exclusively in a court of competent jurisdiction, even if Participant and the Company are parties to an arbitration agreement that otherwise includes disputes under this RC Agreement. Participant agrees that the arbitration will be to which Participant consents hereto below, under the circumstances addressed in

injunctive relief to which Participant consents heretofore, under the circumstances addressed in this section, shall be granted by a court of competent jurisdiction pending arbitration on the merits in order to preserve the status quo pending such arbitration.

#### **4. Notice of Restrictive Covenants**

Participant agrees that Participant will tell any prospective new employer, partner in a business venture, investors and/or any entity seeking to engage Participant's services, prior to accepting employment, engagement as a consultant or contractor, or engaging in a business venture, that this RC Agreement exists. Participant agrees to provide a true and correct copy of this RC Agreement to any such individual or entity prior to accepting any such employment or entering into any such engagement or business venture. Participant further authorizes the Company to provide a copy of this RC Agreement to any such entity(ies) or individual(s).

#### **5. Modification & Severability**

If any section, provision, paragraph, phrase, word, and/or line (collectively "Provision") of this RC Agreement is held to be unenforceable, then this RC Agreement will be deemed amended to the extent necessary to render the otherwise unenforceable Provision, and the rest of this RC Agreement, valid and enforceable. If a court or arbitrator declines to amend this RC Agreement as provided herein, the invalidity or unenforceability of any Provision of this RC Agreement shall not affect the validity or enforceability of the remaining Provisions, which shall be enforced as if the offending Provision had not been included in this RC Agreement.

#### **6. Choice of Law, Jurisdiction & Venue**

This RC Agreement will be governed by, construed, interpreted, and its validity determined under the law of the State, District or Territory of the United States in which

Participant last worked or provided services for the Company, without regard to such jurisdiction's conflicts of laws principles. Such law shall govern regardless of the court or arbitration forum in which a dispute may be adjudicated.

#### **7. Binding Effect & Assignability**

This RC Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest. Participant agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this RC Agreement as if it were the Company itself enforcing the RC Agreement. Participant further agrees that the Company may assign, and hereby consents to assignment of, this RC Agreement to any affiliate of the Company. Participant agrees that such an assignment is deemed to have been made without any further documentation in the event Participant moves from employment or services with one Company affiliate to another.

#### **8. Attorneys' Fees & Acknowledgements**

Participant and the Company agree that in any legal proceeding to enforce this RC Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees, costs, and disbursements.

Participant acknowledges and understands that the Company hereby advises that Participant should consult with an attorney prior to entering into the RC Agreement.

Participant's signature to the 2018 Omnibus Incentive Plan Award Agreement, to which this RC Agreement is an exhibit, constitutes Participant's acceptance of and agreement to comply in full with this RC Agreement, as set forth on the signature page to the 2018 Omnibus Incentive Plan Award Agreement.



## CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, James D. DeVries, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ADT 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2024

/s/ James D. DeVries

James D. DeVries

*Chairman, President and Chief Executive Officer*

## CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Jeffrey Likosar, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ADT 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2024

/s/ Jeffrey Likosar

Jeffrey Likosar

*President, Corporate Development and Transformation, and Chief Financial Officer*

ADT INC.  
CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, James D. DeVries, Chairman, President and Chief Executive Officer of ADT Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

*/s/* James D. DeVries

James D. DeVries

*Chairman, President and Chief Executive Officer*

April 25, 2024

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

ADT INC.  
CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey Likosar, President, Corporate Development and Transformation, and Chief Financial Officer of ADT Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

/s/ Jeffrey Likosar

Jeffrey Likosar

*President, Corporate Development and Transformation, and Chief Financial Officer*

April 25, 2024

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).