As filed with the Securities and Exchange Commission on December 30, 2024.

File No.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of
the Securities Exchange Act of 1934

Resolute Holdings Management, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**33-1246734**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
445 Park Avenue, Suite 15F **New York, NY**	**10022**
(Address of principal executive offices)	(Zip Code)

(212) 373-3000

(Registrant's telephone number, including area code)

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

Title of each class to be so registered	**Name of each exchange on which each class is to be registered**
Common stock, par value $0.0001 per share	The Nasdaq Stock Market LLC

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

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

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

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

RESOLUTE HOLDINGS MANAGEMENT, INC.
INFORMATION REQUIRED IN REGISTRATION STATEMENT
CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT
AND ITEMS OF FORM 10

This Registration Statement on Form 10 incorporates by reference information contained in the information statement filed herewith as Exhibit 99.1 (the "Information Statement").

Item 1. Business.

The information required by this item is contained under the sections of the Information Statement entitled "Information Statement Summary," "The Spin-Off," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Our Business," "The Business of CompoSecure," "Certain Relationships and Related Party Transactions" and "Where You Can Find More Information." Those sections are incorporated herein by reference.

Item 1A. Risk Factors.

The information required by this item is contained under the sections of the Information Statement entitled "Information Statement Summary — Summary of Risk Factors," "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements." Those sections are incorporated herein by reference.

Item 2. Financial Information.

The information required by this item is contained under the sections of the Information Statement entitled "Unaudited Pro Forma Condensed Consolidated Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Index to the Financial Statements," and the financial statements referenced therein. Those sections are incorporated herein by reference.

Item 3. Properties.

The information required by this item is contained under the section of the Information Statement entitled "Our Business — Properties" and "The Business of CompoSecure — Properties." Those sections are incorporated herein by reference.

Item 4. Security Ownership of Certain Beneficial Owners and Management.

The information required by this item is contained under the section of the Information Statement entitled "Security Ownership of Certain Beneficial Owners and Management." That section is incorporated herein by reference.

Item 5. Directors and Executive Officers.

The information required by this item is contained under the section of the Information Statement entitled "Management." That section is incorporated herein by reference.

Item 6. Executive Compensation.

The information required by this item is contained under the sections of the Information Statement entitled "Director Compensation" and "Executive Compensation." Those sections are incorporated herein by reference.

Item 7. Certain Relationships and Related Transactions and Director Independence.

The information required by this item is contained under the sections of the Information Statement entitled "Management" and "Certain Relationships and Related Party Transactions." Those sections are incorporated herein by reference.

Item 8. Legal Proceedings.

The information required by this item is contained under the sections of the Information Statement entitled "Our Business — Legal Proceedings" and "The Business of CompoSecure — Legal Proceedings." Those sections are incorporated herein by reference.

Item 9. Market Price of, and Dividends on, the Registrant's Common Equity and Related Stockholder Matters.

The information required by this item is contained under the sections of the Information Statement entitled "Information Statement Summary — Questions and Answers about Resolute Holdings," "Risk Factors," "The Spin-Off," "Dividend Policy," "Executive Compensation" and "Description of Our Capital Stock." Those sections are incorporated herein by reference.

Item 10. Recent Sales of Unregistered Securities.

The information required by this item is contained under the section of the Information Statement entitled "Description of Our Capital Stock — Sale of Unregistered Securities." That section is incorporated herein by reference.

Item 11. Description of Registrant's Securities to be Registered.

The information required by this item is contained under the sections of the Information Statement entitled "Information Statement Summary — Questions and Answers about the Spin-Off," "The Spin-Off," "Dividend Policy," and "Description of Our Capital Stock." Those sections are incorporated herein by reference.

Item 12. Indemnification of Directors and Officers.

The information required by this item is contained under the section of the Information Statement entitled "Description of Our Capital Stock — Limitations of Liability, Indemnification and Advancement." That section is incorporated herein by reference.

Item 13. Financial Statements and Supplementary Data.

The information required by this item is contained under the sections of the Information Statement entitled "Unaudited Pro Forma Condensed Consolidated Financial Statements," "Index to the Financial Statements," and the financial statements referenced therein. Those sections are incorporated herein by reference.

Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 15. Financial Statements and Exhibits.

(a) Financial Statements

The information required by this item is contained under the sections of the Information Statement entitled "Unaudited Pro Forma Condensed Consolidated Financial Statements," "Index to the Financial Statements," and the financial statements referenced therein. Those sections are incorporated herein by reference.

(b) Exhibits

The following documents are filed as exhibits hereto:

Exhibit Numbers	Exhibit Description
2.1	Form of Separation and Distribution Agreement, by and between CompoSecure, Inc. and the registrant.
3.1	Form of Amended and Restated Certificate of Incorporation of the registrant.
3.2	Form of Amended and Restated Bylaws of the registrant.
10.1	Form of Management Agreement, by and between CompoSecure Holdings, L.L.C. and the registrant.
10.2	Form of Registration Rights Agreement, by and between Resolute Compo Holdings LLC and the registrant.
10.3	Form of Resolute Holdings Management, Inc. 2025 Omnibus Incentive Plan.
10.4	Form of Indemnification Agreement.
10.5	Form of Amended and Restated Offer Letter with David Cote.
10.6	Form of Amended and Restated Offer Letter with Thomas Knott.
10.7	Form of Amended and Restated Offer Letter with Kurt Schoen.
10.8	Form of U.S. State and Local Tax Sharing Agreement, by and between CompoSecure, Inc. and the registrant.
10.9	Form of Letter Agreement, by and between CompoSecure, Inc. and the registrant.
21.1	Subsidiaries of the registrant.
99.1	Preliminary Information Statement.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

RESOLUTE HOLDINGS MANAGEMENT, INC.

By: /s/ Timothy W. Fitzsimmons

Name: Timothy W. Fitzsimmons
Title: Treasurer

Date: December 30, 2024

Exhibit 2.1

SEPARATION AND DISTRIBUTION AGREEMENT

by and between

COMPOSECURE, INC.

and

RESOLUTE HOLDINGS MANAGEMENT, INC.

Dated as of _____, 2025

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SEPARATION AND DISTRIBUTION AGREEMENT, dated as of _____, 2025, by and between CompoSecure, Inc., a Delaware corporation ("Parent"), and Resolute Holdings Management, Inc., a Delaware corporation and indirect wholly owned Subsidiary of Parent ("SpinCo"). Capitalized terms used and not otherwise defined herein shall have the respective meanings assigned to them in Article I.

R E C I T A L S

WHEREAS, the board of directors of Parent (the "Parent Board") has determined that it is advisable and in the best interests of Parent and its stockholders for Parent to establish a management business to be conducted by SpinCo and subsequently spin off SpinCo, as an independent publicly traded company, in the manner contemplated by this Agreement;

WHEREAS, in connection with the Spin-Off, it is contemplated that: (a) Parent will cause CompoSecure Holdings, L.L.C., a Delaware limited liability company and direct wholly owned Subsidiary of Parent (the "Company"), to enter into a management agreement with SpinCo, substantially in the form attached as an exhibit to the Form 10 (the "Management Agreement"), pursuant to which SpinCo will become responsible for managing the Company's day-to-day business and operations and overseeing the Company's strategy, subject to and in accordance with the terms set forth therein; (b) Parent will enter into a letter agreement with SpinCo, substantially in the form attached as an exhibit to the Form 10 (the "Letter Agreement"), to support the Company's performance of its duties and obligations under the Management Agreement, subject to and in accordance with the terms set forth therein;

WHEREAS, upon and subject to the terms of this Agreement: (a) Parent will (i) contribute, convey, sell or otherwise transfer (or cause its Subsidiaries to contribute, convey, sell or otherwise transfer) the SpinCo Assets and (ii) transfer (or cause its Subsidiaries to transfer) the SpinCo Employees to SpinCo in exchange for (A) the assumption by SpinCo of the SpinCo Liabilities, (B) the issuance by SpinCo to the Company of shares of SpinCo Common Stock and (C) following such issuance of shares of SpinCo Common Stock, the distribution by the Company to Parent of all shares of SpinCo Common Stock then held by the Company (this clause (a), collectively, the "Pre-Distribution Transactions"); and (b) immediately following the Pre-Distribution Transactions, Parent will distribute, on a pro rata basis, to holders of shares of Parent Common Stock on the Record Date all of the outstanding shares of SpinCo Common Stock (the "Distribution" and, together with the Pre-Distribution Transactions, collectively, the "Spin-Off");

WHEREAS, SpinCo has been incorporated solely for these purposes and has not engaged in activities except in preparation for the Spin-Off;

WHEREAS, Parent and SpinCo have prepared, and SpinCo has filed with the Commission, the Form 10, which includes the Information Statement and sets forth certain disclosures concerning SpinCo and the Distribution; and

WHEREAS, it is appropriate and desirable to set forth the principal transactions required to effect the Spin-Off, certain other agreements that will govern the relationship of Parent and its Subsidiaries and SpinCo following the Distribution and certain matters relating to the allocation of rights and obligations under this Agreement and the Ancillary Agreements in connection with the Spin-Off.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. For the purposes of this Agreement, the following terms shall have the following meanings:

"Action" means any claim, complaint, petition, hearing, charge, demand, action, suit, countersuit, arbitration, inquiry, audit, assessment, proceeding or investigation by or before any Governmental Authority, including any Government Investigation.

"Adversarial Action" means (i) an Action by one or more members of the Parent Group, on the one hand, against one or more members of the SpinCo Group, on the other hand, or (ii) an Action by one or more members of the SpinCo Group, on the one hand, against one or more members of the Parent Group, on the other hand.

"Affiliate" of any Person means a Person that controls, is controlled by or is under common control with such Person. As used herein, "control" of any entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such entity, whether through ownership of voting securities or other interests, by Contract or otherwise; provided that it is acknowledged and agreed that (i) members of the Parent Group shall not be deemed to be Affiliates of the SpinCo Group, (ii) members of the SpinCo Group shall not be deemed to be Affiliates of the Parent Group and (iii) if, after the Distribution Effective Time, SpinCo enters in one or more additional management agreements with any Person (other than any member of the Parent Group), such Person(s) party to such management agreement(s) shall not be deemed Affiliate(s) of the SpinCo Group.

"Agent" means the distribution agent appointed by Parent to distribute to the Record Holders, pursuant to the Distribution, the shares of SpinCo Common Stock held by Parent immediately following the Pre-Distribution Transactions.

"Agreement" means this Separation and Distribution Agreement, including the Schedules hereto.

"Ancillary Agreements" means the Management Agreement, the Letter Agreement, the U.S. State and Local Tax Sharing Agreement and any other instruments, assignments, documents and agreements executed or to be executed between one or more members of the Parent Group, on the one hand, and SpinCo, on the other hand, in each case in connection with the implementation of the transactions contemplated by this Agreement.

"Assets" means all assets, Contracts, properties and rights of every kind and nature (including goodwill), wherever located (including in the possession of vendors or other third parties or elsewhere), whether real, personal or mixed, tangible or intangible, or accrued or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

"Benefit Plan" means any Contract, agreement, policy, practice, program, plan, trust, commitment or arrangement providing for benefits, perquisites or compensation of any nature from an employer to any Employee or Former Employee, or to any family member, dependent, or beneficiary of any such Employee or Former Employee, including cash or deferred arrangement plans, profit-sharing plans, post-employment programs, pension plans, supplemental pension plans, welfare plans, stock purchase, and Contracts, agreements, policies, practices, programs, plans, trusts, commitments and arrangements providing for terms of employment, fringe benefits, severance benefits, change-in-control protections or benefits, life, accidental death and dismemberment, disability and accident insurance, tuition reimbursement, adoption assistance, travel reimbursement, vacation, sick, personal or bereavement days, leaves of absences and holidays; provided, however, that the term "Benefit Plan" does not include any government-sponsored benefits, such as workers' compensation, unemployment or any similar plans, programs or policies or Individual Agreements.

"Business Day" means any day except a Saturday, a Sunday or a day on which banking institutions in New York, New York are not required to be open.

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

"Commission" means the U.S. Securities and Exchange Commission.

"Company" has the meaning set forth in the Recitals hereof.

"Consents" means any consents, waivers, authorizations, ratifications, permissions, exemptions or approvals from or to any Person.

"Contract" means any oral or written contract, agreement or other legally binding instrument, including any note, bond, mortgage, deed, indenture, commitment, lease, sublease, license, sublicense or joint venture agreement.

"Dispute" has the meaning set forth in Section 11.02.

"Dispute Notice" has the meaning set forth in Section 11.02.

"Distribution" has the meaning set forth in the Recitals hereof.

"Distribution Date" means the date, determined by Parent in accordance with Section 4.03, on which the Distribution occurs.

"Distribution Effective Time" means [●] Eastern Time, or such other time as Parent may determine, on the Distribution Date.

"Distribution Ratio" shall have the meaning set forth in Section 4.01(b).

"Dual-Role Director" means each Person who serves as a director on each of the Parent Board and the SpinCo Board at any time on or after the Distribution.

"Employee" means any Parent Group Employee or SpinCo Employee.

"Exchange" means the Nasdaq Capital Market.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, together with the rules and regulations promulgated thereunder.

"First Post-Distribution Report" has the meaning set forth in Section 11.12.

"Form 10" means the registration statement on Form 10 filed by SpinCo with the Commission to effect the registration of SpinCo Common Stock pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time.

"Former Employees" means any individual who is a former employee of the Parent Group as of the Distribution Date.

"Governmental Approvals" means any notices, reports or other filings given to or made with, or any Consents, registrations or permits obtained from, any Governmental Authority.

"Governmental Authority" means any federal, state, local, foreign, international or multinational government, political subdivision, governmental, quasi-governmental authority of any nature (including any department, commission, board, bureau, agency, court or tribunal) or other body exercising legislative, judicial, regulatory, administrative or taxing authority, arbitral body or official of any of the foregoing.

"Government Investigation" means any inquiry, investigation, probe, audit or inspection conducted by a Governmental Authority.

"Group" means either the Parent Group or the SpinCo Group, or both, as the context requires.

"Indemnifying Party" has the meaning set forth in Section 5.04(a).

"Indemnitee" has the meaning set forth in Section 5.04(a).

"Indemnity Payment" has the meaning set forth in Section 5.04(a).

"Individual Agreement" means any individual (i) employment contract, (ii) retention, severance or change in control agreement or (iii) other agreement containing restrictive covenants (including confidentiality, noncompetition and nonsolicitation provisions) between a member of the Parent Group and an Employee, as in effect immediately prior to the Distribution, in each case, other than any equity or equity-based incentive award agreement.

"Information" means information, whether or not patentable, copyrightable or protectable as a trade secret, in written, oral, electronic or other tangible or intangible forms, stored in any medium now known or yet to be created, including studies, reports, records, books, Contracts, instruments, surveys, analyses, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing or business plans, customer names or information, communications (including emails, text messages, IMs, and chats, including those by or to attorneys (whether or not subject to the attorney-client privilege)), memos and other materials (including those prepared by attorneys or under their direction (whether or not constituting attorney work product)) and other technical, financial, employee or business information or data, documents, correspondence, materials and files.

"Information Statement" means the Information Statement sent by or on behalf of Parent to the holders of shares of Parent Common Stock in connection with the Distribution, as such Information Statement may be amended from time to time.

"Insurance Proceeds" means those monies: (i) received by an insured (or its successor-in-interest) from an insurance carrier; (ii) paid by an insurance carrier on behalf of the insured (or its successor-in-interest); or (iii) received (including by way of set-off) from any third party in the nature of insurance in respect of any Liability, in any such case net of (A) any applicable premium adjustments (including reserves and retrospectively rated premium adjustments), (B) any costs or expenses incurred in the collection thereof, (iii) any reimbursement obligations under "fronted" or similar insurance policies and (C) any Taxes resulting from the receipt thereof.

"JAMS" has the meaning set forth in Section 11.03(a).

"Law" means any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, Governmental Approval, concession, grant, franchise, license, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect.

"Liabilities" means any and all claims, debts, demands, causes of action, suits, damages, fines, penalties, obligations, prohibitions, accruals, accounts payable, bonds, indemnities and similar obligations, agreements, promises, guarantees, make-whole agreements and similar obligations, and other liabilities, obligations or requirements of any kind or nature, including all contractual obligations, whether absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any Law, Action, threatened or contemplated Action or any award of any arbitrator or mediator, and those arising under any Contract, including those arising under this Agreement or any Ancillary Agreement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person. For the avoidance of doubt, Liabilities shall include reasonable attorneys' fees and expenses, the costs and expenses of all assessments, judgments, settlements, compromises and resolutions, and any and all other costs and expenses whatsoever reasonably incurred in connection with anything contemplated by the immediately preceding sentence (including reasonable costs and expenses incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions).

"Letter Agreement" has the meaning set forth in the Recitals hereof.

"Management Agreement" has the meaning set forth in the Recitals hereof.

"Negotiation Period" has the meaning set forth in Section 11.02.

"Parent" has the meaning set forth in the Preamble hereof.

"Parent Assets" means, without duplication: (i) all Assets of the Parent Group as of immediately prior to the Distribution other than the SpinCo Assets; and (ii) all interests in the capital stock of, or other equity interests in, the members of the Parent Group (other than Parent).

"Parent Awards" means Parent Option Awards, Parent RSU Awards and Parent Performance-Based RSU Awards, collectively.

"Parent Benefit Plan" means any Benefit Plan established, sponsored or maintained by Parent or any of its Subsidiaries immediately prior to the Distribution.

"Parent Board" has the meaning set forth in the Recitals hereof.

"Parent Common Stock" means the Class A Common Stock, $0.0001 par value per share, of Parent.

"Parent Disclosure Sections" means all information contained in or incorporated by reference into the Form 10 or Information Statement, or used in documents for an offering of securities in connection with the Spin-Off or for an offering of securities as contemplated by this Agreement, to the extent relating to (i) the Parent Group, (ii) the Parent Liabilities, (ii) the Parent Assets or (iv) the substantive disclosure set forth in such documents relating to the Parent Board's consideration of the Spin-Off, including the section of the Form 10 entitled "Reasons for the Spin-Off".

"Parent Employee Liabilities" means, without duplication: (i) any and all wages, salaries, incentive compensation, equity compensation, commissions, bonuses and any other compensation or benefits payable to or on behalf of (x) any Parent Group Employees and Former Employees after the Distribution and (y) any SpinCo Employees prior to the Distribution, without regard to when such wages, salaries, incentive compensation, equity compensation, commissions, bonuses or other compensation or benefits are or may have been awarded or earned; (ii) any and all Liabilities whatsoever with respect to claims under a Benefit Plan; (iii) any and all Liabilities arising out of, relating to or resulting from the employment, or termination of employment of all Parent Group Employees and Former Employees; and (iv) any and all Liabilities arising out of, relating to or resulting from the employment of individuals who will become SpinCo Employees at the Distribution that are not expressly assumed or retained by SpinCo pursuant to this Agreement.

"Parent Group" means, Parent and each Subsidiary of Parent that is or was a Subsidiary of Parent at the time in respect of which the relevant determination is being made, but excluding any member of the SpinCo Group.

"Parent Group Employees" means (i) each individual who is an employee of the Parent Group as of immediately prior to the Distribution (including any such individual who is not actively working as of the Distribution Date as a result of an illness, injury or an approved leave of absence) and (ii) any other individual employed by the Parent Group as of the Distribution Date, in each case, who is not a SpinCo Employee.

"Parent Indemnified Taxes" any liability arising under Treasury Regulations Section 1.1502-6, or any similar provision of state, local or non-U.S. tax Law, as a result of a member of the SpinCo Group's membership in a U.S. federal income tax consolidated group (or similar group under state, local or non-U.S. Law) with any member of the Parent Group prior to the Distribution Date.

"Parent Indemnitees" has the meaning set forth in Section 5.02.

"Parent Liabilities" means, without duplication: (i) all Liabilities of the Parent Group to the extent relating to, arising out of or resulting from the Parent Assets; (ii) all Parent Employee Liabilities; and (iii) all Liabilities to the extent relating to, arising out of or resulting from any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to the Parent Disclosure Sections. For the avoidance of doubt, the Parent Liabilities shall not include any SpinCo Liabilities.

"Parent Omnibus Plan" means any equity compensation plan sponsored or maintained by Parent immediately prior to the Distribution, including the CompoSecure, Inc. 2021 Incentive Equity Plan, as amended from time to time, and the CompoSecure Holdings, L.L.C. Amended and Restated Equity Incentive Plan, as amended from time to time.

"Parent Option Award" means an award of options to purchase Parent Common Stock granted pursuant to a Parent Omnibus Plan that is outstanding as of immediately prior to the Distribution.

"Parent Performance-Based RSU Award" means a restricted stock unit award that is subject to performance-based vesting outstanding as of immediately prior to the Distribution, granted pursuant to the Parent Omnibus Plan.

"Parent Ratio" means the quotient obtained by dividing (i) the Pre-Separation Parent Stock Value by (ii) the Post-Separation Parent Stock Value, carried out to six decimal places.

"Parent RSU Award" means a restricted stock unit award outstanding as of immediately prior to the Distribution that is not subject to performance-based vesting conditions, granted pursuant to the Parent Omnibus Plan.

"Party" means either party hereto, and "Parties" means both parties hereto.

"Person" means an individual, a general or limited partnership, a corporation, an association, a trust, a joint venture, an unincorporated organization, a limited liability company, any other entity or any Governmental Authority.

"Post-Separation Parent Option Award" means a Parent Option Award, as adjusted as of the Distribution Date in accordance with Section 8.02(a).

"Post-Separation Parent Performance-Based RSU Award" means a Parent Performance-Based RSU Award, as adjusted as of the Distribution Date in accordance with Section 8.02(c), as applicable.

"Post-Separation Parent RSU Award" means a Parent RSU Award, as adjusted as of the Distribution Date in accordance with Section 8.02(b), as applicable.

"Post-Separation Parent Stock Value" means the volume-weighted average per share price of Parent Common Stock on the Nasdaq Global Market during the first regular trading session (9:30 a.m. to 4:00 p.m. Eastern Time) commencing after the Distribution Effective Time.

"Pre-Distribution Tax Period" means any Tax period ending on or before the Distribution Date and the portion of any Tax period beginning before the Distribution Date and ending after the Distribution Date that ends on the Distribution Date.

"Pre-Distribution Transactions" has the meaning set forth in the Recitals hereof.

"Pre-Separation Parent Stock Value" means the closing per-share price of Parent Common Stock trading regular way "with due bills" on the Nasdaq Global Market on the last regular trading session (9:30 a.m. to 4:00 p.m. Eastern Time) ending prior to the Distribution Effective Time.

"Record Date" means the close of business on the date determined by the Parent Board as the record date for determining the shares of Parent Common Stock in respect of which shares of SpinCo Common Stock will be distributed pursuant to the Distribution.

"Record Holders" has the meaning set forth in Section 4.01(b).

"Representative" means, with respect to any Person, its directors, officers, employees, agents, accountants, subcontractors, counsel and other advisors and representatives.

"Securities Act" has the meaning set forth in Section 8.01.

"Security Interest" means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer or other encumbrance of any nature whatsoever.

"Specified Confidential Information" has the meaning set forth in Section 6.09(a).

"SpinCo" has the meaning set forth in the Preamble hereof.

"SpinCo Assets" means, without duplication, all Assets listed or described on Schedule 1.01(a). For the avoidance of doubt, the SpinCo Assets shall not include any Parent Assets.

"SpinCo Board" means the board of directors of SpinCo.

"SpinCo Common Stock" means the Common Stock, $0.0001 par value per share, of SpinCo.

"SpinCo Employee" means each individual set forth on Schedule 1.01(b).

"SpinCo Employee Liabilities" means, without duplication, all Liabilities arising out of, relating to or resulting from the employment of individuals who will become SpinCo Employees at the Distribution that are expressly assumed or retained by SpinCo pursuant to this Agreement.

"SpinCo Group" means SpinCo and each Person that becomes a Subsidiary of SpinCo, if any, after the Distribution Date at the time in respect of which the relevant determination is being made.

"SpinCo Indemnitees" has the meaning set forth in Section 5.03.

"SpinCo Individual Agreements" has the meaning set forth in Section 7.02(d).

"SpinCo Liabilities" means, without duplication: (i) all Liabilities to the extent relating to, arising out of or resulting from the SpinCo Assets; (ii); all SpinCo Employee Liabilities; and (iii) all Liabilities to the extent relating to, arising out of or resulting from any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in or incorporated by reference into the Form 10 or the Information Statement and any other documents filed with the Commission or used in documents for an offering of securities in connection with the Spin-Off, other than with respect to the Parent Disclosure Sections.

"SpinCo Omnibus Plan" means the Resolute Holdings Management, Inc. 2025 Omnibus Incentive Plan, as established by SpinCo as of the Distribution Date pursuant Section 8.01.

"Spin-Off" has the meaning set forth in the Recitals hereof.

"Straddle Period" has the meaning set forth in Section 6.05(c).

"Subsidiary" of any Person means any corporation or other organization, whether incorporated or unincorporated, of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization, is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries.

"Tax" or "Taxes" means (i) any and all taxes of any kind whatsoever, including all foreign, federal, state, county, or local income, alternative or add-on minimum, sales and use, excise, franchise, ad valorem, value added, real and personal property, escheat or unclaimed property, gross income, gross receipt, capital stock, production, license, estimated, environmental, net worth, business and occupation, disability, employment, unemployment, social security (or similar), transfer, payroll, severance, windfall profit, stamp, withholding, and all other taxes or assessments, fees, duties, levies, customs, tariffs, imposts, obligations and charges of the same or similar nature of the foregoing, including all interest, additions to tax, surcharges, fees and penalties related thereto, and (ii) any Liability for the payment of any amounts of a type described in clause (i) above of another Person arising by reason of Contract, assumption, transferee, successor or similar Liability (including bulk transfer or similar Laws), operation of Law (including pursuant to Treasury Regulations Section 1.1502-6 (or any predecessor or successor thereof or any analogous or similar state, local, or foreign Law)) or otherwise.

"Tax Contest" means any U.S. federal, state, local or foreign Tax audit or examination or notice of deficiency or other adjustment, assessment or redetermination of Taxes before a Governmental Authority.

"Tax Return" means any declaration, estimate, return, report, claim for refund, information statement, schedule or other document (including any related or supporting information), and including any amendment thereof with respect to Taxes that is filed or required to be filed with any Governmental Authority.

"Third-Party Claim" means any written assertion or other commencement by a Person (including any Governmental Authority) who is not a member of the Parent Group or the SpinCo Group of any claim, demand, inquiry or investigation, or the commencement by any such Person of any Action, against any member of the Parent Group or the SpinCo Group.

"Third-Party Proceeds" has the meaning set forth in Section 5.04(a).

"Treasury Regulations" means the income Tax regulations promulgated under the Code.

"U.S. State and Local Tax Sharing Agreement" means the U.S. State and Local Tax Sharing Agreement, dated as of _____, 2025, by and between Parent and SpinCo, pursuant to which Parent and SpinCo have agreed on certain procedural matters with respect to the filing of Tax Returns in respect of post-Spin-Off Tax periods that are required to be filed on a consolidated, combined, unitary or other group basis.

ARTICLE II

THE SEPARATION

Section 2.01 Transfer of Assets and Assumption of Liabilities.

(a) Prior to the Distribution, the Parties shall, and Parent shall cause the other members of Parent Group to, execute such instruments of assignment, transfer or conveyance and take such other corporate actions as are necessary to: (i) transfer and convey to SpinCo all of the right, title and interest of the Parent Group in, to and under all SpinCo Assets; and (ii) cause SpinCo to assume all of the SpinCo Liabilities. Notwithstanding anything to the contrary herein, neither Party shall be required to transfer any Information, except as required by Article VI, the Management Agreement or the Letter Agreement.

(b) In the event that it is discovered in the twelve (12) month period after the Distribution Effective Time that there was an omission of the transfer or conveyance by Parent (or another member of the Parent Group) to, or the acceptance or assumption by, SpinCo of any SpinCo Asset or SpinCo Liability, as the case may be, the Parties shall use reasonable best efforts to promptly effect such transfer, conveyance, acceptance or assumption of such Asset or Liability, as the case may be, for no consideration and subject to Section 2.03. Any transfer, conveyance, acceptance or assumption made pursuant to this Section 2.01(b) shall be treated by the Parties for all purposes as if it had occurred immediately prior to the Distribution, except as otherwise required by applicable Law.

(c) In the event that it is discovered in the twelve (12) month period after the Distribution Effective Time that there was a transfer or conveyance by Parent (or a member of the Parent Group) to, or the acceptance or assumption by, SpinCo of any Parent Asset or Parent Liability, as the case may be, the Parties shall use reasonable best efforts to promptly effect such transfer, conveyance, acceptance or assumption of such Asset or Liability, as the case may be, for no consideration and subject to Section 2.03. Any transfer, conveyance, acceptance or assumption made pursuant to this Section 2.01(c) shall be treated by the Parties for all purposes as if it had occurred immediately prior to the Distribution, except as otherwise required by applicable Law.

Section 2.02 Certain Matters Governing Exclusively by Ancillary Agreements(a) . Each of Parent and SpinCo agrees on behalf of itself and the other members of its Group, as applicable, that, except as explicitly provided in this Agreement and or any Ancillary Agreement, (a) the Management Agreement shall exclusively govern all matters relating to SpinCo's management of the day-to-day business and affairs of the Company and its Subsidiaries and (b) the Letter Agreement shall exclusively govern all matters relating to Parent's support of the Company's performance of its duties and obligations under the Management Agreement. Except as set forth in the immediately preceding sentence in respect of matters governed exclusively by the Management Agreement and the Letter Agreement, in the event and to the extent that there shall be a conflict between the provisions of this Agreement and the provisions of any other Ancillary Agreement, the provisions of this Agreement shall control (unless this Agreement or such other Ancillary Agreement explicitly provides otherwise in respect of such conflict).

Section 2.03 Disclaimer of Representations and Warranties. Each of Parent (on behalf of itself and each other member of the Parent Group) and SpinCo understands and agrees that, except as expressly set forth in this Agreement or any Ancillary Agreement, no party to this Agreement, any Ancillary Agreement or any other agreement or document contemplated by this Agreement or any Ancillary Agreement is representing or warranting in any way as to any Assets or Liabilities transferred or assumed as contemplated hereby or thereby, as to the sufficiency of the Assets or Liabilities transferred, conveyed, accepted or assumed hereby or thereby for the conduct and operations of the operating management business to be conducted by SpinCo, as to any notices, Governmental Approvals or other Consents required in connection therewith, as to the value or freedom from any Security Interests of, or any other matter concerning, any Assets or Liabilities of such party, or as to the absence of any defenses or rights of set-off or freedom from counterclaim with respect to any claim or other Asset, including any accounts receivable, of any such party, or as to the legal sufficiency of any assignment, document or instrument delivered hereunder to convey title to any Asset or thing of value upon the execution, delivery and filing hereof or thereof, and each of Parent (on behalf of itself and each other member of the Parent Group) and SpinCo has relied only on the representations and warranties expressly contained in Section 11.01(c) or in any Ancillary Agreement. Except as may expressly be set forth herein or in any Ancillary Agreement, any such Assets are being transferred on an "as is," "where is," "with all faults" basis and SpinCo shall bear the economic and legal risks that (a) any conveyance shall prove to be insufficient to vest in SpinCo good and marketable title, free and clear of any Security Interest and (b) any necessary notices, Governmental Approvals or other Consents are not delivered or obtained, as applicable, or that any requirements of Laws or judgments are not complied with.

Section 2.04 Waiver of Bulk-Sale and Bulk-Transfer Laws. SpinCo hereby waives compliance by each and every member of the Parent Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the SpinCo Assets to SpinCo.

Section 2.05 General Principles. All provisions herein shall be subject to the requirements of all applicable Law. Notwithstanding anything in this Agreement to the contrary, if the terms of applicable Law require that any Assets or Liabilities be retained or assumed by, or transferred to, a Party in a manner that is different than what is set forth in this Agreement, such retention, assumption or transfer shall be made in accordance with the terms of such applicable Law and shall not be made as otherwise set forth in this Agreement; provided that, in such case, the Parties shall take all necessary action to preserve the economic terms of the allocation of Assets and Liabilities contemplated by this Agreement. The provisions of this Agreement shall apply in respect of all jurisdictions.

ARTICLE III

ACTIONS PENDING THE DISTRIBUTION

Section 3.01 Actions Prior to the Distribution. Subject to the conditions specified in Section 3.02 and subject to Section 4.03, Parent and SpinCo shall use reasonable best efforts to consummate the Distribution. Such efforts shall include taking the following actions:

(a) *Availability of Information Statement.* Prior to the Distribution, Parent shall mail the Notice of Internet Availability of the Information Statement or the Information Statement to the Record Holders.

(b) *Securities Law Matters.* SpinCo shall file any amendments or supplements to the Form 10 as may be necessary or advisable in order to cause the Form 10 to become and remain effective as required by the Commission or federal, state or other applicable securities Laws. SpinCo shall prepare, file with the Commission and use its reasonable best efforts to cause to become effective any registration statements or amendments thereto required to effect the establishment of, or amendments to, any employee benefit and other plans necessary or appropriate in connection with the transactions contemplated by this Agreement or any of the Ancillary Agreements. Parent and SpinCo shall take all such action as may be necessary or appropriate under the securities or blue sky laws of the states or other political subdivisions of the United States or of other foreign jurisdictions in connection with the Distribution.

(c) *Notice to the Exchange*. Parent shall, to the extent possible, give the Exchange not less than ten (10) days' advance notice of the Record Date in compliance with Rule 10b-17 of under the Exchange Act.

(d) *Exchange Listing.* SpinCo shall prepare and file, and shall use reasonable best efforts to have approved prior to the Distribution, an application for the listing of the SpinCo Common Stock to be distributed in the Distribution on the Exchange, subject to official notice of distribution.

(e) *SpinCo Directors and Officers.* Prior to the Distribution, (i) Parent shall cause the Company, as sole stockholder of SpinCo, to have duly elected to the SpinCo Board the individuals listed as members of the SpinCo Board in the Information Statement, and such individuals shall be the members of the SpinCo Board effective as of immediately after the Distribution; provided, however, that to the extent required by any Law or requirement of the Exchange or any other national securities exchange, as applicable, one independent director shall be appointed by the existing SpinCo Board prior to the date on which "when-issued" trading of SpinCo Common Stock begins on the Exchange and begin his or her term prior to the Distribution and shall serve on the audit committee of the SpinCo Board, and (ii) Parent shall deliver or cause to be delivered to SpinCo resignations, effective as of immediately after the Distribution, of each individual who will be an Employee of Parent or any member of the Parent Group after the Distribution and who is director or officer of SpinCo immediately prior to the Distribution (or shall otherwise cause such individuals to be removed as directors or officers, as applicable, of SpinCo), other than any individual expressly contemplated by the Information Statement to remain a member of the SpinCo Board following the Distribution.

(f) *SpinCo Organizational Documents*. Immediately prior to the Distribution, the Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws of SpinCo, each in substantially the form filed as an exhibit to the Form 10, shall be in effect.

(g) *Distribution Agent*. Parent shall enter into a distribution agent agreement with the Agent or otherwise provide instructions to the Agent regarding the Distribution.

(h) *Employee Matters; Equity, Incentive and Director Compensation*. The Parties shall take all actions as are deemed necessary or advisable to effectuate the provisions of Articles VII and VIII.

(i) *Satisfying Conditions to the Distribution*. The Parties shall, subject to Section 4.03, take all reasonable steps necessary and appropriate to cause the conditions set forth in Section 3.02 to be satisfied and to effect the Distribution on the Distribution Date.

Section 3.02 Conditions Precedent to Consummation of the Distribution. Subject to Section 4.03, as soon as practicable after the date of this Agreement, the Parties shall use reasonable best efforts to satisfy the following conditions prior to the consummation of the Distribution. The obligations of the Parties to consummate the Distribution shall be conditioned on the satisfaction, or waiver by Parent, of the following conditions:

(a) The Parent Board shall have ratified, authorized and approved the Pre-Distribution Transactions and the Distribution and not withdrawn such authorization and approval, and shall have declared the dividend of SpinCo Common Stock to Parent stockholders.

(b) Each of the Management Agreement, the Letter Agreement and the other Ancillary Agreements shall have been executed by each party to such agreement.

(c) The SpinCo Common Stock shall have been accepted for listing on the Exchange or another national securities exchange approved by Parent, subject to official notice of issuance.

(d) The Commission shall have declared effective the Form 10, no stop order suspending the effectiveness of the Form 10 shall be in effect and no proceedings for that purpose shall be pending before or threatened by the Commission.

(e) The actions set forth in Sections 3.01(a), (e) and (f) shall have been completed and the covenants of the Parties set forth in Articles VII and VIII shall have been performed in all material respects.

(f) The Pre-Distribution Transactions shall have been completed to the satisfaction of Parent.

(g) No order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other applicable legal restraint or prohibition preventing the consummation of the Distribution shall be in effect, and no other event outside the control of Parent shall have occurred, or failed to occur, that prevents the consummation of the Distribution.

(h) No other events or developments shall have occurred prior to the Distribution that, in the judgment of the Parent Board, in its sole and absolute discretion, makes it inadvisable to effect the Distribution.

The foregoing conditions are for the sole benefit of Parent and shall not give rise to or create any duty on the part of Parent or the Parent Board to waive, or not waive, such conditions or in any way limit the right of Parent to terminate this Agreement as set forth in Article X or alter the consequences of any such termination from those specified in such Article. Any determination made by the Parent Board prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.02 shall be conclusive.

ARTICLE IV

THE DISTRIBUTION

Section 4.01 The Distribution.

(a) SpinCo shall cooperate with Parent to accomplish the Distribution and shall, at the direction of Parent, use its reasonable best efforts to promptly take any and all actions reasonably necessary, customary or advisable to effect the Distribution. Parent shall select any investment bank or manager in connection with the Distribution, as well as any financial printer, solicitation, exchange or distribution agent and financial, legal, accounting, tax and other advisors for Parent in connection with the Distribution. Parent or SpinCo, as the case may be, will provide to the Agent all book-entry authorizations and any information required in order to complete the Distribution (provided that any information required to be provided under this Section 4.01(a) shall be subject to Section 6.09).

(b) Subject to the terms and conditions set forth in this Agreement, (i) on or prior to the Distribution Date, for the benefit of and distribution to the holders of Parent Common Stock as of the Record Date ("Record Holders"), Parent will deliver to the Agent all of the issued and outstanding shares of SpinCo Common Stock held by Parent immediately following the Pre-Distribution Transactions and book-entry authorizations for such shares and (ii) on the Distribution Date, Parent shall instruct the Agent to distribute, by means of a pro rata dividend based on the aggregate number of shares of Parent Common Stock held by each applicable Record Holder, to each Record Holder (or such Record Holder's bank or brokerage firm on such Record Holder's behalf) electronically, by direct registration in book-entry form, the number of shares of SpinCo Common Stock to which such Record Holder is entitled based on a distribution ratio determined by Parent in its sole discretion (the "Distribution Ratio"). The Distribution shall be effective at 5:00 p.m. Eastern Time on the Distribution Date. Parent shall, on or as soon as practicable after the Distribution Date, instruct the Agent to mail to each Record Holder (or otherwise transmit in accordance with the Agent's regular practices) an account statement indicating the number of shares of SpinCo Common Stock that have been registered in book-entry form in the name of such Record Holder.

Section 4.02 Fractional Shares. Record Holders holding a number of shares of Parent Common Stock on the Record Date that would entitle such holders to receive less than one whole share of SpinCo Common Stock in the Distribution will receive cash in lieu of such fractional share. Fractional shares of SpinCo Common Stock will not be distributed in the Distribution nor credited to book-entry accounts. Parent shall cause the Agent to, as soon as practicable after the date on which "when-issued" trading of the SpinCo Common Stock begins on the Exchange, (a) determine the number of whole shares and fractional shares of SpinCo Common Stock allocable to each Record Holder and (b) aggregate all fractional shares into whole shares and sell the whole shares obtained thereby in open market transactions at then prevailing trading prices on behalf of holders who would otherwise be entitled to fractional share interests. Parent shall cause the Agent to, as soon as practicable after the Distribution Date, distribute to each such holder, or for the benefit of each beneficial owner, such holder's or owner's ratable share of the net proceeds of such sale, based upon the average gross selling price per share of SpinCo Common Stock after making appropriate deductions for any amount required to be withheld under applicable Tax Law and less any brokers' charges, commissions or transfer Taxes. The Agent, in its sole discretion, will determine the timing and method of selling such fractional shares, the selling price of such fractional shares and the broker-dealer through which such fractional shares will be sold; provided, however, that the designated broker-dealer shall not be an Affiliate of Parent or SpinCo. Neither Parent nor SpinCo will pay any interest on the proceeds from the sale of fractional shares.

Section 4.03 Sole Discretion of Parent. Parent shall, in its sole and absolute discretion, determine the Record Date, the Distribution Date and all terms of the Distribution, including the form, structure and terms of any transactions or offerings to effect the Distribution, and the timing of and conditions to the consummation thereof. In addition, and notwithstanding anything to the contrary set forth below, Parent may at any time and from time to time until the consummation of all or part of the Distribution decide to abandon the Distribution or modify or change the form, structure or terms of any transactions or offerings to effect the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution. Any determinations regarding the allocation of Assets or Liabilities under this Agreement or under any Ancillary Agreement, including the identification of Assets or Liabilities for allocation hereunder, shall be made by Parent in its sole and absolute discretion; provided that, this sentence shall not amend the express terms of the Agreement or any Ancillary Agreement after the Distribution Date. Notwithstanding anything to the contrary in this Agreement, the allocation of costs and expenses incurred in connection with the performance of the respective duties and obligations of the parties to the Management Agreement and the Letter Agreement shall be governed by the express terms of the Management Agreement and the Letter Agreement, as applicable.

Section 4.04 Withholding. Notwithstanding any other provision of this Agreement, Parent, the Agent and any other Person that is a withholding agent under applicable Law shall be entitled to deduct and withhold from any consideration distributable or payable hereunder the amounts required to be deducted and withheld under the Code, or any provision of any federal, state, local or non-U.S. Tax Law. Any amounts so withheld shall be paid over to the appropriate Tax Authority in the manner prescribed by Law. To the extent that amounts are so deducted and withheld, such deducted and withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Persons in respect of which such deduction and withholding was made. An applicable withholding agent may collect the deducted or withheld amounts by reducing to cash a sufficient portion of the SpinCo Common Stock that a Person would otherwise receive pursuant to the Distribution, and may require that such Person bear the brokerage or other costs from this withholding procedure.

ARTICLE V

MUTUAL RELEASES; INDEMNIFICATION

Section 5.01 Release of Pre-Distribution Claims.

(a) Except as provided in Section 5.01(c) or elsewhere in this Agreement or the Ancillary Agreements, effective as of the Distribution, SpinCo does hereby, for itself and its Affiliates as of the Distribution Effective Time, and to the extent it may legally do so, its and their respective successors and assigns, and all Persons who at any time on or prior to the Distribution have been stockholders, fiduciaries, directors, trustees, counsel, officers, members, managers, employees, agents, insurers, re-insurers, administrators, representatives, including legal representatives, or employee retirement or benefit plans (and the trustees, administrators, fiduciaries, agents, representatives, insurers and re-insurers of such plans) of SpinCo (in each case, in their respective capacities as such), remise, release and forever discharge Parent and the other members of the Parent Group, their respective Affiliates, successors and assigns, and all Persons who at any time on or prior to the Distribution have been stockholders, fiduciaries, directors, trustees, counsel, officers, members, managers, employees, agents, insurers, re-insurers, administrators, including legal representatives, or employee retirement or benefit plans (and the trustees, administrators, fiduciaries, agents, representatives, insurers and re-insurers of such plans) of any member of the Parent Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all SpinCo Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring, or failing to occur, or alleged to have occurred, or to have failed to occur, or any conditions existing or alleged to have existed on or before the Distribution, including in connection with the Spin-Off and all other activities to implement the Spin-Off.

(b) Except as provided in Section 5.01(c) or elsewhere in this Agreement or the Ancillary Agreements, effective as of the Distribution, Parent does hereby, for itself and each other member of the Parent Group, their respective Affiliates as of the Distribution Effective Time, and to the extent it may legally do so, its and their respective successors and assigns, and all Persons who at any time on or prior to the Distribution have been stockholders, fiduciaries, directors, trustees, counsel, officers, members, managers, employees, agents, insurers, re-insurers, administrators, representatives, including legal representatives, or employee retirement or benefit plans (and the trustees, administrators, fiduciaries, agents, representatives, insurers and re-insurers of such plans) of Parent (in each case, in their respective capacities as such), remise, release and forever discharge SpinCo, its Affiliates, successors and assigns, and all Persons who at any time on or prior to the Distribution have been stockholders, fiduciaries, directors, trustees, counsel, officers, members, managers, employees, agents, insurers, re-insurers, administrators, representatives, including legal representatives, or employee retirement or benefit plans (and the trustees, administrators, fiduciaries, agents, representatives, insurers and re-insurers of such plans) of SpinCo (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Parent Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring, or failing to occur, or alleged to have occurred, or to have failed to occur, or any conditions existing or alleged to have existed on or before the Distribution, including in connection with the Spin-Off and all other activities to implement the Spin-Off.

(c) Nothing contained in Section 5.01(a) or (b) shall impair any right of any Person to enforce this Agreement or any Ancillary Agreement in accordance with its terms. Nothing contained in Section 5.01(a) or (b) shall release:

(i) any Person from any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(ii) any Person from any Liability provided in or resulting from any Contract that is entered into after the Distribution between one Party (or any member of such Party's Group), on the one hand, and the other Party (or any member of such Party's Group), on the other hand;

(iii) any Person from any Liability that the Parties may have with respect to indemnification or contribution pursuant to this Agreement or any Ancillary Agreement for claims brought against the Parties, any member of their respective Groups or any of their respective directors, officers, employees, agents or representatives, by third Persons, which Liability shall be governed by Section 5.02, Section 5.03 and the other applicable provisions of this Article V or, if applicable, the appropriate provisions of the relevant Ancillary Agreement;

(iv) any Party (or any member of its Group) from any Liability that such Party (or any member of its Group) may have to directors, officers, agents or employees under indemnification or similar agreements or arrangements; or

(v) any employee from any Liability relating to, arising out of or resulting from such Person's fraud, embezzlement or misappropriation of intellectual property.

(d) SpinCo shall not make, and shall cause any other member of the SpinCo Group not to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Parent or any other member of the Parent Group, or any other Person released pursuant to Section 5.01(a), with respect to any Liabilities released pursuant to Section 5.01(a). Parent shall not make, and shall cause each other member of the Parent Group not to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against SpinCo or any other member of the SpinCo Group, or any other Person released pursuant to Section 5.01(b), with respect to any Liabilities released pursuant to Section 5.01(b).

(e) It is the intent of each of Parent and SpinCo, by virtue of the provisions of this Section 5.01, to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring, or failing to occur, or alleged to have occurred, or to have failed to occur, and all conditions existing or alleged to have existed on or before the Distribution Date, between SpinCo, on the one hand, and Parent or any other member of the Parent Group, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any member of the Parent Group and SpinCo on or before the Distribution Date), except as expressly set forth in Section 5.01, Section 5.02, Section 5.03 or elsewhere in this Agreement or any Ancillary Agreement. At any time, at the request of the other Party, each Party shall cause each member of its Group to execute and deliver releases reflecting the provisions hereof.

Section 5.02 Indemnification by SpinCo. Subject to Section 5.04, SpinCo shall indemnify, defend and hold harmless Parent, each other member of the Parent Group and each of their respective former and then-current directors, officers and employees, and each of the heirs, executors, administrators, successors and assigns of any of the foregoing (collectively, the "Parent Indemnitees"), from and against any and all Liabilities of the Parent Indemnitees to the extent relating to, arising out of or resulting from any of the following items (without duplication):

(a) the SpinCo Liabilities, including the failure of SpinCo or any other member of the SpinCo Group or any other Person to pay, perform or otherwise promptly discharge any SpinCo Liability in accordance with its terms;

(b) any breach by SpinCo or any other member of the SpinCo Group of this Agreement, or any Ancillary Agreement, unless such Ancillary Agreement expressly provides for separate indemnification therein (which shall be controlling); and

(c) any breach by SpinCo of any of the representations and warranties made by SpinCo in Section 11.01(c).

Section 5.03 Indemnification by Parent. Subject to Section 5.04, Parent shall indemnify, defend and hold harmless SpinCo, each other member of the SpinCo Group and each of their respective former and then-current directors, officers and employees, and each of the heirs, executors, administrators, successors and assigns of any of the foregoing (collectively, the "SpinCo Indemnitees"), from and against any and all Liabilities of the SpinCo Indemnitees to the extent relating to, arising out of or resulting from any of the following items on or before the Distribution (without duplication):

(a) the Parent Liabilities, including the failure of Parent or any other member of the Parent Group, or any other Person, to pay, perform or otherwise promptly discharge any Parent Liability in accordance with its terms;

(b) any breach by Parent or any other member of the Parent Group of this Agreement, or any Ancillary Agreement, unless such Ancillary Agreement expressly provides for separate indemnification therein (which shall be controlling);

(c) any Parent Indemnified Taxes; and

(d) any breach by Parent of any of the representations and warranties made by Parent (on behalf of itself and the members of the Parent Group) in Section 11.01(c).

This Section 5.03 shall apply with respect to any Taxes solely to the extent such Taxes constitute Parent Indemnified Taxes and in no event shall Parent be required to indemnify, defend and hold the SpinCo Indemnitees harmless from and against any and all Losses to the extent such Losses relate to Taxes that are not Parent Indemnified Taxes.

Section 5.04 Indemnification Obligations Net of Insurance Proceeds and Third-Party Proceeds.

(a) The Parties intend that any Liability subject to indemnification or reimbursement pursuant to this Agreement will be net of (i) Insurance Proceeds that actually reduce the amount of, or are paid to the applicable Indemnitee in respect of, such Liability and (ii) other amounts recovered from any third party (net of any out-of-pocket costs or expenses incurred in, or Taxes imposed with respect to, the collection thereof) that actually reduce the amount of, or are paid to the applicable Indemnitee in respect of, such Liability ("Third-Party Proceeds"). Accordingly, the amount that either Party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification or reimbursement pursuant to this Agreement (an "Indemnitee") will be reduced by any Insurance Proceeds or Third-Party Proceeds theretofore actually recovered by or on behalf of the Indemnitee from a third party in respect of the related Liability. If an Indemnitee receives a payment required by this Agreement from an Indemnifying Party in respect of any Liability (an "Indemnity Payment") and subsequently receives Insurance Proceeds or Third-Party Proceeds in respect of such Liability, then the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if such Insurance Proceeds or Third-Party Proceeds had been received, realized or recovered before the Indemnity Payment was made; provided that for the avoidance of doubt, such amount shall not exceed the amount of the Indemnity Payment.

(b) An insurer that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or have any subrogation rights with respect thereto by virtue of the indemnification provisions hereof, it being expressly understood and agreed that no insurer or any other third party shall be entitled to a "windfall" (*i.e.*, a benefit it would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification provisions hereof. Subject to Section 5.11, each member of the Parent Group and the SpinCo Group shall use reasonable best efforts to collect or recover any Insurance Proceeds and any Third-Party Proceeds to which such Person is entitled in connection with any Liability for which such Person seeks indemnification pursuant to this Article V; provided, however, that such Person's inability to collect or recover any such Insurance Proceeds or Third-Party Proceeds shall not limit the Indemnifying Party's obligations hereunder.

Section 5.05 Procedures for Indemnification of Third-Party Claims.

(a) If an Indemnitee shall receive notice or otherwise learn of a Third-Party Claim with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to this Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof as soon as reasonably practicable. Any such notice shall describe the Third-Party Claim in reasonable detail and shall include: (i) the basis for, and nature of, such Third-Party Claim, including the facts constituting the basis for such Third-Party Claim; (ii) the estimated amount of losses (to the extent so estimable) that have been or may be sustained by the Indemnitee in connection with such Third-Party Claim; and (iii) copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim; provided, however, that any such notice need only specify such information reasonably known to the Indemnitee as of the date of such notice and shall not limit or prejudice any of the rights or remedies of any Indemnitee on the basis of any limitations on the information included in such notice, including any such limitations made in good faith to preserve the attorney-client privilege, work product doctrine or any other similar privilege or doctrine. Notwithstanding the foregoing, the failure of any Indemnitee or other Person to give notice as provided in this Section 5.05(a) shall not relieve the related Indemnifying Party of its obligations under this Article V, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice in accordance with this Section 5.05(a).

(b) The Indemnifying Party shall have the right, exercisable by written notice to the Indemnitee within thirty (30) days after receipt of notice from an Indemnitee in accordance with Section 5.05(a), to assume and conduct the defense of such Third-Party Claim in accordance with the limits set forth in this Agreement with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnitee; provided, however, that the Indemnifying Party shall not have the right to control the defense of any Third-Party Claim (i) to the extent such Third-Party Claim seeks criminal penalties or injunctive or other equitable relief or (ii) if the Party to this Agreement which part of such Indemnitee's Group has determined in good faith that the Indemnifying Party controlling such defense would reasonably be expected to have a material adverse impact on the reputation or the business relations of the Indemnitee or its Group, and (z) if the Party that is part of such Indemnitee's Group determines in good faith that the proper defense of the Third-Party Claim requires that the election to assume the defense of such claim be made in fewer than thirty (30) days, the Indemnitee may request that such election be made in such shorter period as the Indemnitee may reasonably determine; provided that such shorter period may not be shorter than ten (10) days. The Indemnifying Party shall notify the Indemnitee in writing within the time period described in the immediately preceding sentence as to whether or not it will assume the defense of the applicable Third-Party Claim. During such notice period, and prior to an election by the Indemnifying Party to control the defense of the applicable Third-Party Claim, the Indemnitee shall be permitted to take such actions in respect of such Third-Party Claim as the Indemnitee determines in good faith are necessary or appropriate to avoid prejudice to the Indemnitee's interests in respect of such Third-Party Claim during such notice period, provided that the Indemnitee will consult reasonably and in good faith with the Indemnifying Party in respect of such actions in advance of taking such actions to the extent possible.

(c) If the Indemnifying Party elects not to assume the defense of a Third-Party Claim (or is not permitted to assume the defense of such Third-Party Claim) in accordance with this Agreement, or fails to notify an Indemnitee of its election as provided in Section 5.05(b), such Indemnitee may defend such Third-Party Claim with counsel selected by the Indemnitee and reasonably acceptable to the Indemnifying Party. If the Indemnifying Party elects (and is permitted) to assume the defense of a Third-Party Claim in accordance with the terms of this Agreement, the Indemnitee shall, subject to the terms of this Agreement, reasonably cooperate with the Indemnifying Party with respect to the defense of such Third-Party Claim.

(d) If the Indemnifying Party elects (and is permitted) to assume the defense of a Third-Party Claim in accordance with the terms of this Agreement, the Indemnifying Party will not be liable for any additional legal expenses subsequently incurred by the Indemnitee in connection with the defense of the Third-Party Claim; provided, however, that if the Indemnifying Party fails to take reasonable steps necessary to defend diligently such Third-Party Claim, or the nature of such Third-Party Claim changes such that the Indemnifying Party would no longer be entitled to assume the defense of such Third-Party Claim pursuant to Section 5.05(b), the Indemnitee may assume its own defense, and the Indemnifying Party will be liable for all reasonable and documented costs or expenses paid or incurred in connection with such defense. The Indemnifying Party or the Indemnitee, as the case may be, shall have the right to participate in (but, subject to the immediately preceding sentence, not control), at its own expense, the defense of any Third-Party Claim that the other is defending as provided in this Agreement. In the event, however, that such Indemnitee reasonably determines that representation by counsel to the Indemnifying Party of both such Indemnifying Party and the Indemnitee could reasonably be expected to present such counsel with a conflict of interest, then the Indemnitee may employ separate counsel to represent or defend it in any such Action and the Indemnifying Party will pay the reasonable and documented fees and expenses of such counsel.

(e) No Indemnifying Party shall consent to entry of any judgment or enter into any settlement of any Third-Party Claim with respect to which an Indemnifying Party is obligated to provide indemnification to an Indemnitee pursuant to this Agreement without the prior written consent of the applicable Indemnitee or Indemnitees (not to be unreasonably withheld, conditioned or delayed); provided, however, that such consent shall not be required if the judgment or settlement: (i) contains no finding or admission of liability with respect to any such Indemnitee or Indemnitees; (ii) involves only monetary relief which the Indemnifying Party has agreed to pay; and (iii) includes a full and unconditional release of the Indemnitee or Indemnitees. Notwithstanding the foregoing, the consent of an Indemnitee shall be required for any entry of judgment or settlement if the effect thereof is to permit any injunction, declaratory judgment, other order or other non-monetary relief to be entered, directly or indirectly, against such Indemnitee (such consent not to be unreasonably withheld, conditioned or delayed).

(f) Whether or not the Indemnifying Party assumes the defense of a Third-Party Claim, no Indemnitee shall admit any liability with respect to, or settle, compromise, resolve or discharge, such Third-Party Claim without the Indemnifying Party's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed).

Section 5.06 Tax Matters.

(a) Each Party is responsible for its own Taxes as imposed under applicable Law, and no indemnification shall be provided under this Agreement by either Party with respect to Taxes, except for any Parent Indemnified Taxes, which shall be borne solely by Parent.

(b) Parent shall prepare (or cause to be prepared) and file (or cause to be filed) (i) all Tax Returns with respect to members of the SpinCo Group that are required to be filed on a combined basis with any members of the Parent Group, and (ii) all other Tax Returns of the SpinCo Group that are required to be filed prior to the Distribution Date and shall, in each case, bear all Taxes shown as due thereon. SpinCo shall be solely responsible for the preparation and filing of (and payment of Taxes in respect of) any Tax Returns of the members of the SpinCo Group that are required to be filed after the Distribution Date, other than those described in the previous clause (i).

(c) SpinCo shall notify Parent within twenty (20) Business Days after receipt by it or any of its Affiliates of written notice of any pending Tax Contest relating to any Parent Indemnified Taxes; provided, however, that the failure to give such notice shall not relieve Parent of any of its obligations under this Section 5.06(c), except to the extent that Parent is actually and materially prejudiced by such failure. Such notice shall specify in reasonable detail the basis for such Tax Contest and shall include a copy of the relevant portion of any correspondence received from any Governmental Authority. Parent will have the right to control, at its own expense, any Tax Contest that relates to any Parent Indemnified Taxes; provided, however, that Parent shall (i) keep SpinCo reasonably informed of material developments with respect to such Tax Contest, (ii) consult with SpinCo before taking any significant or material action in connection with such Tax Contest and (iii) to the extent such Tax Contest is reasonably expected to give rise to Taxes of SpinCo, its Subsidiaries, or their Affiliates that are not Parent Indemnified Taxes, not settle, compromise or abandon any such Tax Contest without obtaining the prior written consent of SpinCo (such consent not to be unreasonably withheld, conditioned or delayed).

(d) Notwithstanding anything in this Agreement to the contrary, the U.S. State and Local Tax Sharing Agreement shall control with respect to any matters set forth therein.

Section 5.07 Additional Matters.

(a) Any claim on account of a Liability that does not result from a Third-Party Claim shall be asserted by prompt written notice given by the Indemnitee to the applicable Indemnifying Party. Any failure by an Indemnitee to give notice shall not relieve the Indemnifying Party's indemnification obligations under this Agreement, except to the extent that the Indemnifying Party shall have been actually prejudiced by such failure.

(b) In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(c) For the avoidance of doubt, Liabilities incurred by an Indemnitee pursuant to a contractual indemnification or similar obligation granted to a third party in respect of Liabilities otherwise indemnifiable under Section 5.02 or Section 5.03 shall be indemnifiable thereunder to the same extent that the underlying Liabilities would have been indemnifiable under Section 5.02 or Section 5.03.

(d) To the maximum extent permitted by applicable Law, the rights to recovery of each Party's Subsidiaries in respect of any past, present or future Action are hereby delegated to such Party. It is the intent of the Parties that the foregoing delegation shall satisfy any Law requiring such delegation to be effected pursuant to a power of attorney or similar instrument. The Parties and their respective Subsidiaries shall execute such further instruments or documents as may be necessary to effect such delegation.

(e) Each of Parent and SpinCo hereby agrees that with respect to any Third-Party Claim or Action pending as of the Distribution Date or commenced following the Distribution Date, in each case that (x) has named as a defendant one or more members of the SpinCo Group but otherwise relates only to the Parent Assets, the Parent Group Employees or the Distribution or (y) has named as a defendant one or more members of the Parent Group but otherwise relates only to SpinCo or the other members of the SpinCo Group, the Parties shall use reasonable best efforts, each at its own expense, to cause each such nominal defendant to be removed as a defendant from such Third-Party Claim or Action, as soon as reasonably practicable (including using reasonable best efforts to petition the applicable court or counterparty to remove each such nominal defendant).

Section 5.08 Remedies Cumulative. The remedies provided in this Article V shall be cumulative and, subject to the provisions of Section 5.01, Section 5.11 and Article XI, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

Section 5.09 Covenant Not to Sue. Each Party hereby covenants and agrees that none of it, the members of such Party's Group or any Person claiming through it shall bring an Action or otherwise assert any claim or defense against any Person, including before any court, arbitrator, mediator or administrative agency anywhere in the world, and further (on behalf of itself, the members of such Party's Group and any other Person claiming through it) waives and releases any claim or defense against any Person, alleging that: (a) the assumption or retention of any SpinCo Liabilities by SpinCo on the terms and conditions set forth in this Agreement or the Ancillary Agreements is unlawful, a breach of a fiduciary or other duty, void, unenforceable, unconscionable, inequitable, or otherwise improper for any reason; (b) the assumption or retention of any Parent Liabilities by Parent or a member of the Parent Group on the terms and conditions set forth in this Agreement or the Ancillary Agreements is unlawful, a breach of a fiduciary or other duty, void, unenforceable, unconscionable, inequitable, or otherwise improper for any reason; (c) the provisions of this Agreement (including this Article V) or any Ancillary Agreement are unlawful, a breach of a fiduciary or other duty, void, unenforceable, unconscionable, inequitable, or otherwise improper for any reason; or (d) any member of the Parent Group owes fiduciary duties to any member of the SpinCo Group or any equity holder of such member in his, her or its capacity as such with respect to this Agreement, any Ancillary Agreement, any transaction contemplated hereby or thereby or any agreement entered into in connection herewith or therewith.

Section 5.10 Survival of Indemnities. The rights and obligations of each of Parent and SpinCo and their respective Indemnitees under this Article V shall survive the sale or other transfer by any Party or its Affiliates of any Assets or businesses or the assignment by it of any Liabilities.

Section 5.11 Indemnified Damages. Except as may expressly be set forth in this Agreement or any Ancillary Agreement, none of Parent, SpinCo, or any member of either Group shall in any event have any Liability to the other or to any other member of the other's Group, or to any other Parent Indemnitee or SpinCo Indemnitee, as applicable, under this Agreement for any indirect, special, punitive, consequential, exemplary, enhanced or treble damages, whether or not caused by or resulting from negligence or breach of obligations hereunder and whether or not informed of the possibility of the existence of such damages; provided, however, that the provisions of this Section 5.11 shall not limit an Indemnifying Party's indemnification obligations hereunder with respect to any Liability any Indemnitee may have to any third party not affiliated with any member of the Parent Group or the SpinCo Group for any indirect, special, punitive, consequential, exemplary, enhanced or treble damages.

ARTICLE VI

ACCESS TO INFORMATION; PRIVILEGE; CONFIDENTIALITY

Section 6.01 Agreement for Exchange of Information; Archives.

(a) Except in the case of an Adversarial Action or threatened Adversarial Action, and subject to Section 6.01(b), each Party, on behalf of its Group, shall provide or cause to be provided, to the other Party, at any time after the Distribution, as soon as reasonably practicable after written request therefor, any Information relating to time periods on or prior to the Distribution Date in the possession or under the control of such other Party or any other member of its Group, which the requesting Party or any other member of its Group: (i) reasonably needs to comply with reporting, disclosure, filing or other requirements imposed on the requesting Party or any member of its Group (including under applicable securities Laws), by any national securities exchange or any Governmental Authority having jurisdiction over the requesting Party or any member of its Group; (ii) requests for use in any other judicial, regulatory, administrative or other Action, including possible Actions anticipated in good faith, or in order to satisfy audit, accounting, regulatory, litigation or other similar requirements; or (iii) reasonably needs to comply with its obligations under this Agreement or any Ancillary Agreement; provided that any request for information pursuant to this Section 6.01(a) shall be used only for the purposes described in this paragraph.

(b) In the event that either Party determines in good faith that the disclosure of any Information pursuant to Section 6.01(a) could be commercially detrimental, violate any Law or Contract or waive or jeopardize any attorney-client privilege, attorney work product protection or other similar privilege or doctrine, such Party may restrict such information to view by the requesting Party's attorneys' and experts' eyes only before providing access to or furnishing such Information to the requesting Party; provided, however, that such Party shall take all commercially reasonable measures to permit compliance with this Section 6.01(b) in a manner that avoids any such harm or consequence.

Section 6.02 Ownership of Information. Any Information owned by one Group that is provided to the requesting Party hereunder shall be deemed to remain the property of the providing Party. Except as specifically set forth herein or any Ancillary Agreement, nothing herein shall be construed as granting or conferring rights of license or otherwise in any such Information.

Section 6.03 Compensation for Providing Information. Parent and SpinCo shall reimburse each other for the reasonable costs, if any, in complying with a request for Information pursuant to this Article VI (whether or not such Information was a SpinCo Asset or Parent Asset).

Section 6.04 Record Retention. To facilitate the possible exchange of Information pursuant to this Article VI and other provisions of this Agreement, each Party shall use its reasonable best efforts to retain all Information in such Party's possession relating to the other Party or its businesses, Assets or Liabilities, this Agreement or the Ancillary Agreements.

Section 6.05 Accounting Information. Without limiting the generality of Section 6.01 but subject to Section 6.01(b):

(a) Until the end of the first full fiscal year occurring after the Distribution Date (and for a reasonable period of time afterwards, as determined in good faith by Parent, or as required by Law for Parent to prepare consolidated financial statements or complete a financial statement audit for any period during which the financial results of SpinCo were consolidated with those of Parent), SpinCo shall use its reasonable best efforts to enable Parent to meet its timetable for dissemination of its financial statements and to enable Parent's auditors to timely complete their annual audit and quarterly reviews of financial statements. As part of such efforts and during such period as specified in the immediately preceding sentence, to the extent reasonably necessary for the preparation of financial statements or completing an audit or review of financial statements or an audit of internal control over financial reporting, (i) SpinCo shall authorize and direct its auditors to make available to Parent's auditors, within a reasonable time prior to the date of Parent's auditors' opinion or review report, both (x) the personnel who performed or will perform the annual audits and quarterly reviews of SpinCo and (y) work papers to the extent related to such annual audits and quarterly reviews, to enable Parent's auditors to perform any procedures they consider reasonably necessary to take responsibility for the work of SpinCo's auditors as it relates to Parent's auditors' opinion or report and (ii) until all governmental audits of those financial statements of Parent specified in the immediately preceding sentence are complete, SpinCo shall provide reasonable access during normal business hours for Parent's internal auditors, counsel and other designated representatives to (x) the premises of SpinCo and all Information (and duplicating rights) within the knowledge, possession or control of SpinCo and (y) the officers and employees of SpinCo and its Subsidiaries, so that Parent may conduct reasonable audits relating to the financial statements provided by SpinCo; provided, however, that such access shall not be unreasonably disruptive to the business and affairs of SpinCo; provided, further, that, any request for access pursuant to this Section 6.05(a) shall be made in good faith and limited to the extent reasonable to satisfy the good faith basis for such request.

(b) Until the end of the first full fiscal year occurring after the Distribution Date (and for a reasonable period of time afterwards, as determined in good faith by SpinCo, or as required by Law for SpinCo to prepare consolidated financial statements or complete a financial statement audit for any period during which the financial results of the Parent Group were consolidated those of Parent), Parent shall use its reasonable best efforts to enable SpinCo to meet its timetable for dissemination of its financial statements and to enable SpinCo's auditors to timely complete their annual audit and quarterly reviews of financial statements. As part of such efforts, and during such period as specified in the immediately preceding sentence, to the extent reasonably necessary for the preparation of financial statements or completing an audit or review of financial statements or an audit of internal control over financial reporting, (i) Parent shall authorize and direct its auditors to make available to SpinCo's auditors, within a reasonable time prior to the date of SpinCo's auditors' opinion or review report, both (x) the personnel who performed or will perform the annual audits and quarterly reviews of Parent and (y) work papers to the extent related to such annual audits and quarterly reviews, to enable SpinCo's auditors to perform any procedures they consider reasonably necessary to take responsibility for the work of Parent's auditors as it relates to SpinCo's auditors' opinion or report and (ii) until all governmental audits of those financial statements of SpinCo specified in the immediately preceding sentence are complete, Parent shall provide reasonable access during normal business hours for SpinCo's internal auditors, counsel and other designated representatives to (x) the premises of Parent and its Subsidiaries and all Information (and duplicating rights) within the knowledge, possession or control of Parent and its Subsidiaries and (y) the officers and employees of Parent and its Subsidiaries, so that SpinCo may conduct reasonable audits relating to the financial statements provided by Parent and its Subsidiaries; provided, however, that such access shall not be unreasonably disruptive to the business and affairs of the Parent Group; provided, further, that, any request for access pursuant to this Section 6.05(b) shall be made in good faith and limited to the extent reasonable to satisfy the good faith basis for such request.

(c) Parent's disclosure controls and procedures and internal control over financial reporting (as each is contemplated by the Exchange Act) are currently applicable to SpinCo as an indirect wholly owned Subsidiary of Parent (and not as a reporting company under the Exchange Act). In order to enable the principal executive officer and principal financial officer of SpinCo to make the certifications required of them under Section 302 of the Sarbanes-Oxley Act of 2002 following the Distribution in respect of any quarterly or annual fiscal period of SpinCo that begins on or prior to the Distribution Date in respect of which financial statements are not included in the Form 10 (a "Straddle Period"), upon reasonable advance written request by SpinCo, Parent shall provide SpinCo with one (1) or more certifications with respect to such disclosure controls and procedures and the effectiveness thereof and whether there were any changes in the internal controls over financial reporting that have materially affected or are reasonably likely to materially affect the internal control over financing reporting, which certification(s) shall (x) be with respect to the applicable Straddle Period (it being understood that no certification need be provided with respect to any period or portion of any period after the Distribution Date) and (y) be in substantially the same form as those that had been provided by officers or employees of Parent in similar certifications delivered prior to the Distribution Date, with such changes thereto as Parent may reasonably determine. Such certification(s) shall be provided to SpinCo by Parent (and not by any officer or employee in their individual capacity).

Section 6.06 Limitations of Liability. Each of Parent (on behalf of itself and each other member of the Parent Group) and SpinCo (on behalf of itself and any other member of the SpinCo Group) understands and agrees that neither Party is representing or warranting in any way as to the accuracy or sufficiency of any Information exchanged or disclosed under this Agreement, including any Information that constitutes an estimate or forecast or is based upon an estimate or forecast.

Section 6.07 Production of Witnesses; Records; Cooperation.

(a) Without limiting any of the rights or obligations of the Parties pursuant to Section 6.01 or Section 6.04, after the Distribution Date, except in the case of an Adversarial Action or threatened or contemplated Adversarial Action, and subject to Section 6.01(b), each of Parent and SpinCo shall use their reasonable best efforts to make reasonably available, upon written request: (i) the former, current and future directors, officers, employees, other personnel and agents of the Persons in its respective Group (whether as witnesses or otherwise); and (ii) subject to Section 6.01(b), Information contemplated by Sections 6.01(a), in each case of clauses (i) and (ii) above, to the extent that such Person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action, Commission comment or review or threatened or contemplated Action, Commission comment or review (including preparation for any such Action, Commission comment or review) in which Parent, SpinCo or any Person or Persons in such Party's Group, as applicable, may from time to time be involved, regardless of whether such Action, Commission comment or review or threatened or contemplated Action, Commission comment or review is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(b) Without limiting the foregoing, Parent and SpinCo shall use their reasonable best efforts to cooperate and consult with each other to the extent reasonably necessary with respect to any Actions or threatened or contemplated Actions (including in connection with preparation for any such Action), other than an Adversarial Action or threatened or contemplated Adversarial Action.

(c) The obligations of Parent and SpinCo, pursuant to this Section 6.07, to use their reasonable best efforts to make available former, current and future directors, officers, employees and other personnel and agents or provide witnesses and experts, except in the case of an Adversarial Action or threatened or contemplated Adversarial Action, is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to make available employees and other officers without regard to whether such individual or the employer of such individual could assert a possible business conflict. Without limiting the foregoing, each of Parent and SpinCo agrees that neither it nor any Person or Persons in such Party's Group will take any adverse action against any employee of its Group based on such employee's provision of assistance or information to each other pursuant to this Section 6.07.

Section 6.08 Privileged Matters.

(a) Solely for purposes of asserting privileges which may be asserted under applicable Law: (x) the Parties recognize that legal and other professional services that have been and will be provided prior to the Distribution (whether by outside counsel, in-house counsel, other legal professionals, or other professionals acting at the direction of counsel) have been and will be rendered for the collective benefit of Parent and its Subsidiaries (in such capacity) and (y) Parent, each other member of the Parent Group and SpinCo shall be deemed to have been the client in connection with such services with respect to periods prior to the Distribution. The Parties recognize that legal and other professional services will be provided following the Distribution, which services will be rendered solely for the benefit of the Parent Group or the SpinCo Group, as the case may be.

(b) Subject to the terms of the Management Agreement and the Letter Agreement, Parent shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any privileged Information that relates solely to Parent Assets, Parent Group Employees or the Distribution and not to the SpinCo Assets or the SpinCo Employees, whether or not the privileged Information is in the possession or under the control of Parent or any other member of the Parent Group or SpinCo or any other member of the SpinCo Group. Parent shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any privileged Information that relates solely to any Parent Assets or Parent Liabilities, and not any SpinCo Assets or SpinCo Liabilities, in connection with any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of Parent or any other member of the Parent Group or SpinCo or any other member of the SpinCo Group. For the avoidance of doubt, Information shall not be deemed to relate to the Parent Assets, Parent Group Employees or the Distribution solely by virtue of the fact that personnel associated with the corporate function of Parent were involved in the production or evaluation of such Information or otherwise involved in the Actions relating to such Information.

(c) SpinCo shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any privileged Information that relates solely to the SpinCo Assets or the SpinCo Employees and, subject to the terms of Management Agreement and the Letter Agreement, not to the Parent Assets, Parent Group Employees or the Distribution, whether or not the privileged Information is in the possession or under the control of SpinCo or any other member of the SpinCo Group or Parent or any other member of the Parent Group. SpinCo shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any privileged Information that relates solely to any SpinCo Assets or SpinCo Liabilities and, subject to the terms of the Management Agreement and the Letter Agreement, not any Parent Assets or Parent Liabilities in connection with any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of SpinCo or any other member of the SpinCo Group or Parent or any other member of the Parent Group. For the avoidance of doubt, Information shall not be deemed to relate to the SpinCo Assets or the SpinCo Employees solely by virtue of the fact that SpinCo personnel were involved in the production or evaluation of such Information or otherwise involved in the Actions relating to such Information.

(d) Subject to the remaining provisions of this Section 6.08, the Parties agree that, subject to the terms of the Management Agreement and the Letter Agreement, Parent shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with privileged Information not otherwise allocated pursuant to this Section 6.08 in connection with any Actions, or threatened or contemplated Actions, or other matters that involve both Parties (or one or more members of their respective Groups), whether or not such privileged Information is in the possession or under the control of SpinCo or any other member of the SpinCo Group or Parent or any other member of the Parent Group.

(e) Upon receipt by either Party, or by any other member of its respective Group, of any subpoena, discovery or other request (or of written notice that it will receive or has received such subpoena, discovery or other request) that may reasonably be expected to result in the production or disclosure of privileged Information subject to a shared privilege or immunity or as to which the other Party has the sole right hereunder to assert a privilege or immunity, or if either Party obtains knowledge or becomes aware that any of its, or any other member of its Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests (or have received written notice that they will receive or have received such subpoena, discovery or other requests) that may reasonably be expected to result in the production or disclosure of such privileged Information, such Party shall promptly notify the other Party of the existence of any such subpoena, discovery or other request and shall provide the other Party a reasonable opportunity to review the privileged Information and to assert any rights it or they may have, under this Section 6.08 or otherwise, to prevent the production or disclosure of such privileged Information; provided that if such Party is prohibited by applicable Law from disclosing the existence of such subpoena, discovery or other request, such Party shall provide written notice of such related information for which disclosure is not prohibited by applicable Law and use reasonable best efforts to inform the other Party of any related information such Party reasonably determines is necessary or appropriate for the other Party to be informed of to enable the other Party to review the privileged Information and to assert its rights, under this Section 6.08 or otherwise, to prevent the production or disclosure of such privileged Information.

(f) The Parties agree that their respective rights to any access to Information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of privileged Information between the Parties and other members of their respective Groups pursuant to this Agreement, shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise. The Parties further agree that: (i) the exchange by one Party to the other Party of any Information that should not have been exchanged pursuant to the terms of Section 6.09 shall not be deemed to constitute a waiver of any privilege or immunity that has been or may be asserted under this Agreement or otherwise with respect to such privileged Information; and (ii) the Party receiving such privileged Information shall promptly return such privileged Information to the Party who has the right to assert the privilege or immunity.

Section 6.09 Confidential Information.

(a) From and after the Effective Time until the five (5)-year anniversary of the Effective Time (or in the case of trade secrets, for so long as such trade secrets constitute trade secrets under applicable Law), except as otherwise provided in the Management Agreement and the Letter Agreement, each of Parent and SpinCo, on behalf of itself and each other member of its Group, shall hold, and cause its respective Representatives to hold, in strict confidence, not release or disclose and protect with at least the same degree of care, but no less than a reasonable degree of care, that it applies to its own confidential and proprietary information pursuant to policies in effect as of the Distribution Date, all confidential or proprietary Information concerning the Parent Group (in the case of SpinCo or a member of its Group) or the SpinCo Group (in the case of Parent or a member of its Group) (such Group's, "Specified Confidential Information") that is either in its possession (including such Specified Confidential Information in its possession prior to the Distribution) or furnished by the other Group or its respective Representatives at any time pursuant to this Agreement or any Ancillary Agreement, and shall not use any such Specified Confidential Information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such Specified Confidential Information is: (i) in the public domain at the time it is received by the Parent Group, the SpinCo Group or any of their respective Representatives, as applicable; (ii) becomes public other than by reason of a disclosure in breach of this Section 6.09(a) by the Parent Group, the SpinCo Group or any of their respective Representatives, as applicable; (iii) was already in the possession of the Parent Group, the SpinCo Group or any of their respective Representatives, as applicable, lawfully and on a non-confidential basis prior to the time it was received by the Parent Group, the SpinCo Group or any of their respective Representatives, as applicable, (iv) was obtained by the Parent Group, the SpinCo Group or any of their respective Representatives, as applicable, from a third party which, to Parent's or SpinCo's knowledge, was not disclosed in breach of an obligation of such third party not to disclose such information or (v) was developed independently by or on behalf of the Parent Group, the SpinCo Group or their respective Representatives, as applicable, without using or referring to any of the disclosing Group's Specified Confidential Information. Notwithstanding the foregoing, each of Parent and SpinCo may release or disclose, or permit to be released or disclosed, any such Specified Confidential Information of the other Group (A) to their respective Representatives who need to know such Specified Confidential Information (who shall be advised of the obligations hereunder with respect to such Specified Confidential Information), (B) to any nationally recognized statistical rating organization as it reasonably deems necessary, solely for the purpose of obtaining a rating of securities or other debt instruments upon normal terms and conditions, (C) if such Party or any other member of its Group is required or compelled to disclose any such Specified Confidential Information by judicial or administrative process (including any proceeding brought by a Governmental Authority) or by other requirements of Law or stock exchange rule, in each case, to the extent such Party is advised by counsel that it is advisable to do so, (D) as required in connection with any legal or other proceeding by one Party against the other Party or in respect of claims by one Party against the other Party brought in a proceeding, (E) as necessary in order to permit a Party to prepare and disclose its financial statements, Tax Returns or other required disclosures under applicable Law or in connection with the Distribution and (F) as necessary for a Party to enforce its rights or perform its obligations under this Agreement or any Ancillary Agreement; provided, however, that, with respect to clause (A) hereof: (1) such Representatives shall keep such Specified Confidential Information confidential and will not disclose such Specified Confidential Information to any other Person and (2) each Party agrees that it is responsible to the other Party for any action or failure to act that would constitute a breach or violation of this Section 6.09(a) by any such Representative; with respect to clause (B) hereof, the Party whose Specified Confidential Information is being disclosed or released to such rating organization is promptly notified thereof in writing in advance of such disclosure or release; with respect to public disclosures pursuant to clause (C) hereof, that the Party required to disclose such Specified Confidential Information gives the other Party a reasonable opportunity to review and comment on the portion of such disclosure containing or reflecting Specified Confidential Information prior to the disclosure thereof; and, in the case of disclosure required by judicial or administrative process pursuant to clause (C) hereof or disclosure pursuant to clause (D) hereof, that the Party required to disclose such Specified Confidential Information gives the other Party prompt and, to the extent reasonably practicable and legally permissible, prior notice of such disclosure and an opportunity to contest such disclosure and shall use reasonable best efforts to cooperate, at the expense of the requesting Party, in seeking any reasonable protective arrangements requested by such Party. In the event that such appropriate protective order or other remedy is not obtained, the Party that is required to disclose such Specified Confidential Information of the other Group shall furnish, or cause to be furnished, only that portion of such Specified Confidential Information that is legally required to be disclosed and shall use reasonable best efforts to ensure that confidential treatment is accorded such Specified Confidential Information.

(b) Each Party acknowledges that it or other members of its Group may presently have and, after the Distribution, may gain access to or possession of confidential or proprietary Information of, or legally protected personal Information relating to, third parties: (i) that was received under confidentiality or non-disclosure agreements entered into between such third parties, on the one hand, and the other Party or members of such other Party's Group, on the other hand, prior to the Distribution or (ii) that, as between the two Parties, was originally collected by the other Party or such other Party's Group and that may be subject to and protected by privacy, data protection or other applicable Laws. Each Party agrees that it shall hold, protect and use, and shall cause the other members of its Group and direct its and their respective Representatives to hold, protect and use, in strict confidence the confidential and proprietary Information of, or legally protected personal Information relating to, third parties in accordance with privacy, data protection or other applicable Laws and the terms of any Contracts that were either entered into before the Distribution or affirmative commitments or representations that were made before the Distribution by, between or among the other Party or members of the other Party's Group, on the one hand, and such third parties, on the other hand.

Section 6.10 Tax Information and Cooperation. Each of Parent and SpinCo shall reasonably cooperate and shall cause their respective Affiliates and Representatives to reasonably cooperate, in respect of the Distribution, in preparing and filing all Tax Returns relating to any Pre-Distribution Tax Period, including maintaining and making available to each other, and to any Governmental Authority as reasonably requested, their respective employees and all records reasonably necessary in connection with Taxes of the SpinCo Group and in resolving all Tax Contests relating to a Pre-Distribution Tax Period. Parent and SpinCo agree to use commercially reasonable efforts (i) to retain all books and records (or, in the alternative, to deliver such books and records to SpinCo) with respect to Tax matters pertinent to the SpinCo Group relating to any Tax period beginning before the Distribution Date until ninety (90) days after the expiration of the applicable statute of limitations and to abide by all record retention agreements entered into with any Governmental Authority and (ii) to allow the other Party and its Representatives, at times and dates mutually acceptable to the Parties, to inspect, review and make copies of such records as may be reasonably necessary or appropriate from time to time, such activities to be conducted during normal business hours and at such Party's expense. The Party requesting such cooperation will bear the reasonable out-of-pocket costs of the other Party. In no event shall any Party be entitled to receive information under this Section 6.10 that does not relate solely to the SpinCo Assets, the SpinCo Employees or the SpinCo Group except that, in the case of Tax information relating in part to the SpinCo Group, a Party otherwise required to provide Tax information under this Section 6.10 shall use commercially reasonable efforts to provide such Tax information as relates solely to the SpinCo Assets, the SpinCo Employees or the SpinCo Group (which may include, to the extent commercially reasonable, redacted versions of such information that show solely the portions of the relevant materials that relate solely to the SpinCo Assets, the SpinCo Employees or the SpinCo Group).

ARTICLE VII

EMPLOYEE MATTERS

Section 7.01 Retention of Benefit Plans.

(a) *Retained Benefit Plans*. Except as set forth in Section 7.02(d) or Section 8.03, Parent shall, or shall cause the other members of the Parent Group to, retain all Benefit Plans (and related trusts, if applicable), all Assets (including any insurance contracts, policies or other funding vehicles) and Liabilities relating to, arising out of or resulting from health and welfare coverage or other claims under the Benefit Plans whether arising before, at or after the Distribution Date, with such changes, modifications or amendments as may be required by applicable Law or to reflect the Spin-Off.

(b) *No Duplication or Acceleration of Benefits*. No provision in this Agreement shall be construed to (i) create any right to accelerate vesting of distributions or entitlements under any Benefit Plan on the part of any Employee or Former Employee or (ii) limit the ability of Parent or any other member of the Parent Group or SpinCo or any other member of the SpinCo Group to amend, merge, modify, eliminate, reduce or otherwise alter in any respect any benefit under any Benefit Plan sponsored or maintained by a member of the Parent Group or a member of the SpinCo Group, respectively, or any trust, insurance policy or funding vehicle related thereto.

(c) *Beneficiaries*. References to Parent Group Employees, Former Employees, SpinCo Employees, and current and former nonemployee directors of either Parent or SpinCo shall be deemed to refer to their beneficiaries, dependents, survivors and alternate payees, as applicable

Section 7.02 Employees.

(a) *Assignment and Transfer of Employees*. Effective as of no later than the Distribution Effective Time, the applicable member of the Parent Group shall have taken such actions as are necessary to ensure that (i) each SpinCo Employee is employed by SpinCo as of immediately prior to the Distribution and (ii) each Employee not covered by Section 7.02(a)(i) is employed by a member of the Parent Group as of immediately prior to the Distribution. Each of the Parties agrees to execute, and to seek to have the applicable Employees execute, such documentation, if any, as may be necessary to reflect such assignment and/or transfer.

(b) *At-Will Status*. Nothing in this Agreement shall create any obligation on the part of any member of the Parent Group or any member of the SpinCo Group to (i) continue the employment of any Employee or permit the return from a leave of absence for any period after the date of this Agreement (except as required by applicable Law) or (ii) change the employment status of any Employee from "at-will," to the extent that such Employee is an "at-will" employee under applicable Law. Except as provided in this Agreement, this Agreement shall not limit the ability of any member of the Parent Group or any member of the SpinCo Group to change the position, compensation or benefits of any Employees for performance-related, business or any other reason.

(c) *Not a Change in Control or Termination of Employment or Service*. The Parties acknowledge and agree that the Spin-Off and other transactions contemplated by this Agreement, and the assignment, transfer or continuation of the employment of Employees as contemplated by this Section 7.02, shall (i) not be deemed a "change in control," "change of control," or term of similar import for purposes of any Benefit Plan (including the Parent Awards) sponsored or maintained by any member of the Parent Group or any member of the SpinCo Group and (ii) not be deemed an involuntary termination of employment entitling any SpinCo Employee or Parent Group Employee to non-compete, severance, change in control or other payments or benefits (including under the Parent Awards) or the termination of service for any non-employee director.

(d) *Assignment by Parent and Assumption by SpinCo*. Parent shall assign, or cause any other applicable member of the Parent Group to assign, to SpinCo all Individual Agreements relating to the SpinCo Employees set forth on Schedule 7.02(d) (collectively, the "SpinCo Individual Agreements"), with such assignment to be effective as of no later than the Distribution Effective Time. Effective as of the Distribution Effective Time, SpinCo shall assume the SpinCo Individual Agreements. Notwithstanding the foregoing, in lieu of such assignment, Parent may, or may cause any other applicable member of the Parent Group to, enter into amended and restated SpinCo Individual Agreements with SpinCo and the applicable SpinCo Employee to reflect the transfer of such SpinCo Employee to SpinCo.

Section 7.03 No Third-Party Beneficiaries. No current or former Employee, officer, director, or independent contractor or any other individual associated therewith shall be regarded for any purpose as a third-party beneficiary of this Agreement. Nothing in this Agreement is intended to amend any Benefit Plan or affect the applicable plan sponsor's right to amend or terminate any Benefit Plan pursuant to the terms of such plan or arrangement.

ARTICLE VIII

EQUITY, INCENTIVE AND DIRECTOR COMPENSATION

Section 8.01 Generally. Each Parent Award that is outstanding as of immediately prior to the Distribution shall be adjusted as described below. Prior to the Distribution, Parent shall take all necessary actions to cause the Company, as the sole stockholder of SpinCo, to approve the SpinCo Omnibus Plan. SpinCo agrees to file a registration statement on Form S-8 (and, solely with respect to SpinCo RSU Awards for which the underlying shares of SpinCo Common Stock are not eligible for registration on Form S-8, a registration statement on Form S-3 or Form S-1) with respect to, and to cause to be registered pursuant to the Securities Act of 1933, as amended (the "Securities Act"), the shares of SpinCo Common Stock authorized for issuance under the SpinCo Omnibus Plan, as required pursuant to the Securities Act, not later than the Distribution and in any event before the date of issuance of any shares of SpinCo Common Stock pursuant to the SpinCo Omnibus Plan.

Section 8.02 Equity Incentive Awards.

(a) *Option Awards*. Each Parent Option Award that is outstanding as of immediately prior to the Distribution shall be converted, as of the Distribution Date, into a Post-Separation Parent Option Award and, except as otherwise provided in this Section 8.02(a), shall be subject to the same terms and conditions (including with respect to vesting and expiration) after the Distribution as applicable to such Parent Option Award immediately prior to the Distribution. From and after the Distribution (i) the number of shares of Parent Common Stock subject to such Post-Separation Parent Option Award shall be equal to the product obtained by multiplying (A) the number of shares of Parent Common Stock subject to the corresponding Parent Option Award immediately prior to the Distribution by (B) the Parent Ratio, rounded down to the nearest whole number of shares; and (ii) the per-share exercise price of such Post-Separation Parent Option Award shall be equal to the quotient obtained by dividing (A) the per share exercise price of the corresponding Parent Option Award as of immediately prior to the Distribution by (B) the Parent Ratio, rounded up to the nearest cent. Notwithstanding anything to the contrary in this Section 8.02(a), the exercise price and the number of shares of Parent Common Stock subject to each Post-Separation Parent Option Award, and the terms and conditions of exercise of such options, shall be determined in a manner consistent with the requirements of Section 409A of the Code.

(b) *RSU Awards*. Each Parent RSU Award that is outstanding as of immediately prior to the Distribution shall be converted, as of the Distribution Date, into a Post-Separation Parent RSU Award and, except as otherwise provided in this Section 8.02(b), shall be subject to the same terms and conditions (including with respect to vesting) after the Distribution as were applicable to such Parent RSU Award immediately prior to the Distribution; provided, however, that from and after the Distribution Date, the number of shares of Parent Common Stock subject to such Post-Separation Parent RSU Award shall be equal to the product obtained by multiplying (A) the number of shares of Parent Common Stock subject to the corresponding Parent RSU Award immediately prior to the Distribution by (B) the Parent Ratio, rounded to the nearest whole number of shares.

(c) *Performance-Based RSU Awards*. Each Parent Performance-Based RSU Award that is outstanding as of immediately prior to the Distribution shall be converted, as of the Distribution Date, into a Post-Separation Parent Performance-Based RSU Award and, except as otherwise provided in this Section 8.02(c), shall be subject to the same terms and conditions (including with respect to time-based and performance-based vesting) after the Distribution as were applicable to such Parent Performance-Based RSU Award immediately prior to the Distribution; provided, however, that from and after the Distribution Date, the target number of shares of Parent Common Stock subject to such Post-Separation Parent Performance-Based RSU Award shall be equal to the product obtained by multiplying (A) the target number of shares of Parent Common Stock subject to the corresponding Parent Performance-Based RSU Award immediately prior to the Distribution by (B) the Parent Ratio, rounded to the nearest whole number of shares.

(d) *Settlement, Delivery; Tax Withholding and Reporting*.

(i) After the Effective Time, Post-Separation Parent Option Awards, Post-Separation Parent Performance-Based RSU Awards, and Post-Separation Parent RSU, regardless of by whom held, shall be settled by Parent.

(ii) Upon the vesting, payment or settlement, as applicable, of Post-Separation Parent Option Awards, Post-Separation Parent Performance-Based RSU Awards and Post-Separation Parent RSU Awards, Parent shall be responsible for ensuring the collection of applicable Tax withholding (in the case of a SpinCo Employee, solely to the extent that such award results in compensatory income to such individual that is subject to withholding), the withholding and remittance of the applicable employee-side employment Taxes and the payment and remittance of the applicable employer-side employment Taxes to the applicable Governmental Authority.

(iii) After the Effective Time, Parent shall be responsible for all income Tax and employment Tax reporting in respect of Post-Separation Parent Option Awards, Post-Separation Parent Performance-Based RSU Awards and Post-Separation Parent RSU Awards.

(iv) The Parties agree that they shall cooperate to avoid the duplication of any employment Taxes (such as social security Taxes) subject to an applicable wage base. The Parties will cooperate and communicate with each other and with third-party vendors to effectuate withholding, remittance and reporting of Taxes in a timely, efficient and appropriate manner.

Section 8.03 Non-Equity Incentive Practices and Plan.

(a) *Bonuses*. SpinCo shall assume all Liabilities with respect to any bonuses that would otherwise be payable to SpinCo Employees for any performance periods that are open when the Distribution occurs and thereafter, and no member of the Parent Group shall have any obligations with respect thereto. The Parent Group shall retain all Liabilities with respect to any bonuses that would otherwise be payable to Parent Group Employees and Former Employees for any performance periods that are open when the Distribution occurs and thereafter, and none of SpinCo or any other member of the SpinCo Group shall have any obligations with respect thereto.

(b) *Other Cash Incentive Plans*. No later than the Distribution Date, SpinCo shall assume as necessary any cash incentive plan for the exclusive benefit of SpinCo Employees, whether or not sponsored by SpinCo, and, from and after the Distribution Date, shall be solely responsible for all Liabilities thereunder. No later than the Distribution Date, the Parent Group shall continue to retain any cash incentive plan for the exclusive benefit of Parent Group Employees and Former Employees and, from and after the Distribution, shall be solely responsible for all Liabilities thereunder.

Section 8.04 Director Compensation. Parent shall be responsible for the payment of any fees for service on the Parent Board that are earned before, at or after the Distribution, and SpinCo shall not have any responsibility for any such payments. With respect to any SpinCo non-employee director, SpinCo shall be responsible for the payment of any fees for service on the SpinCo Board that are earned at any time after the Distribution, and Parent shall not have any responsibility for any such payments. For the avoidance of doubt, for any Dual-Role Director, Parent shall be responsible for the payment of such director's fees in connection with such director's service on the Parent Board before, on and after the Distribution Date, and SpinCo shall be responsible for the payment of such director's fees in connection with such director's service on the SpinCo Board on and after the Distribution Date.

ARTICLE IX

FURTHER ASSURANCES AND ADDITIONAL COVENANTS

Section 9.01 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, but subject to the express limitations of this Agreement, each of the Parties shall, subject to Section 4.03, use reasonable best efforts, prior to, on and after the Distribution Date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws and agreements to consummate, and make effective, the transactions contemplated by this Agreement.

(b) Without limiting the foregoing, but subject to the express limitations and other provisions of this Agreement and of the Ancillary Agreements, prior to, on and after the Distribution Date, each Party shall cooperate with the other Parties, without any further consideration, but at the expense of the requesting Party: (i) to execute and deliver, or use reasonable best efforts to execute and deliver, or cause to be executed and delivered, all instruments, including any instruments of conveyance, assignment and transfer as such Party may reasonably be requested to execute and deliver by the other Parties; (ii) to deliver all required notices and make, or cause to be made, all filings with, and to obtain, or cause to be obtained, all Consents of any Governmental Authority or any other Person under any permit, license, Contract or other instrument; (iii) to obtain, or cause to be obtained, any Governmental Approvals or other Consents required to effect the Spin-Off; and (iv) to take, or cause to be taken, all such other actions as such Party may reasonably be requested to take by the other Parties from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement, the Ancillary Agreements and any transfers of Assets or assignments and assumptions of Liabilities hereunder and the other transactions contemplated hereby.

ARTICLE X

TERMINATION

Section 10.01 Termination. This Agreement may be terminated by Parent at any time, in its sole discretion, prior to the Distribution.

Section 10.02 Effect of Termination. In the event of any termination of this Agreement prior to the Distribution, neither Party (nor any other member of its Group or any of its directors or officers) shall have any Liability or further obligation to the other Party or any other member of its Group under this Agreement or the Ancillary Agreements.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and scanned and exchanged by electronic mail, and such facsimile or PDF signature or scanned and exchanged copies shall constitute an original for all purposes.

(b) This Agreement, the Ancillary Agreements and the Exhibits and Schedules hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein.

(c) Parent represents on behalf of itself and each other member of the Parent Group, and SpinCo represents on behalf of itself, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been (or, in the case of any Ancillary Agreement, will be on or prior to the Distribution Date) duly executed and delivered by it and constitutes, or will constitute a valid and binding agreement of it enforceable in accordance with the terms hereof or thereof.

Section 11.02 Negotiation. In the event of any claim, controversy, demand or request for relief of any kind arising out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity or breach of this Agreement or any Ancillary Agreement (other than the Management Agreement and the Letter Agreement) or otherwise arising out of or related to this Agreement or any such Ancillary Agreement or the transactions contemplated hereby or thereby, including any Action based on contract, tort, equity, statute, regulation or constitution (collectively, "Disputes"), the Party raising the Dispute shall give written notice of the Dispute (a "Dispute Notice"), and the executive officers designated by the Parties (or such other individuals designated by such executive officers) shall negotiate for a reasonable period of time to settle such Dispute; provided that such reasonable period shall not, unless otherwise agreed by the Parties in writing, exceed ninety (90) days (the "Negotiation Period") from the time of receipt of the Dispute Notice; provided further, that in the event of any arbitration in accordance with Section 11.03, (x) the Parties shall not assert the defenses of statute of limitations, laches or any other defense, in each such case based on the passage of time during the Negotiation Period, and (y) any contractual time period or deadline under this Agreement or any such Ancillary Agreement relating to such Dispute occurring after the Dispute Notice is received shall not be deemed to have passed until such arbitration has been resolved. For the avoidance of doubt, any dispute or disagreement between the parties to the Management Agreement or the Letter Agreement arising out of or in connection with any term or provision thereof, the subject matter thereof, or the interpretation or enforcement thereof, shall be exclusively governed by the terms set forth in the Letter Agreement or the Management Agreement, as applicable.

Section 11.03 Arbitration.

(a) *Arbitration Procedures.* If the Parties are unable to resolve the Dispute pursuant to Section 11.02, then the Parties shall submit the Dispute to final and binding arbitration in New York, New York, administered by Judicial Arbitration & Mediation Services ("JAMS"), or its successor, in accordance with the rules and procedures of JAMS then in effect. The Parties agree that any and all Disputes (which for purposes of this Section 11.03 will be deemed to include any action pursuant to the immediately preceding sentence) that are submitted to arbitration shall be decided by three (3) neutral arbitrators who are retired judges or attorneys licensed to practice law in New York who are experienced in complex commercial transactions. Each Party shall select one (1) arbitrator and those Party-selected arbitrators shall jointly select the third (3rd) arbitrator, who shall act as chair of the arbitral tribunal. If the Party-selected arbitrators are unable to select the third (3rd) arbitrator, JAMS shall designate the third (3rd) arbitrator. The Parties will cooperate with JAMS and with one another in selecting such arbitrators and in scheduling the arbitration proceedings in accordance with applicable JAMS procedures. The arbitration shall be conducted in accordance with the JAMS Comprehensive Rules. Any Party may commence the arbitration process called for in this Agreement by filing a written demand for arbitration with JAMS, with a copy to the other Party. The Parties agree that they will participate in the arbitration in good faith and the administrative costs and arbitrator's fees associated with the arbitration shall be allocated to the Parties as determined by the arbitrators based upon the relative success (in terms of percentages) of each Party's claim. For example, if Parent and SpinCo commence arbitration proceedings and the final determination by the arbitrators reflects a sixty (60)-forty (40) compromise of the Parties' claims, the arbitrators would allocate expenses forty percent (40%) to the Party whose claim was determined to be sixty percent (60%) successful and sixty percent (60%) to the Party whose claims was determined to be forty (40%) successful; *provided*, *however*, that each Party participating in any arbitration proceedings will bear such Party's own attorneys' fees and costs associated with the arbitration, unless such Party is ordered to pay reasonable costs and expenses pursuant to the final determination by the arbitrators. The arbitral tribunal shall apply Delaware law without reference to conflicts of laws principles that would result in the application of the law of a jurisdiction other than Delaware. Any award issued as a result of such arbitration shall be final and binding among the Parties and shall be enforceable by any court having jurisdiction over such Party against whom enforcement is sought. The Parties expressly acknowledge and understand that by entering into this Agreement, each Party is waiving such Party's respective rights to have any Dispute between the Parties adjudicated by a court or by a jury.

(b) *Confidentiality*. Except as may be required by applicable Law or court order, the Parties agree to maintain confidentiality as to all aspects of any arbitration, including its existence and results, except that nothing herein shall prevent any Party from disclosing information regarding such arbitration for purposes of proceedings to enforce this clause or to enforce the award or for purposes of seeking provisional remedies from a court of competent jurisdiction. The Parties further agree to obtain the agreement of the arbitral tribunal to preserve the confidentiality of the arbitration.

(c) *Provisional Relief*. By agreeing to arbitration, the Parties do not intend to deprive the Delaware Courts of their ability to issue any form of provisions remedy, including but not limited to a preliminary injunction or attachment in aid of the arbitration, or to order any appropriate interim or conservatory measure. A request for such provisional remedy or interim or conservatory measure by a Party to a Delaware Court shall not be deemed a waiver of this agreement to arbitrate.

Section 11.04 Specific Performance. Subject to Section 11.02 and Section 11.03, except as provided below, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any applicable Ancillary Agreement, the affected Party shall have the right to specific performance, declaratory relief and injunctive or other equitable relief (on a permanent, emergency, temporary, preliminary or interim basis) of its rights under this Agreement or any applicable Ancillary Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The other Party shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. The Parties agree that the remedies at Law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is hereby waived. Any requirements for the securing or posting of any bond or similar security with such remedy are hereby waived. For the avoidance of doubt, the rights pursuant to this Section 11.04 shall be pursued in arbitration under Section 11.03.

Section 11.05 No Set-Off; Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement or as otherwise mutually agreed to in writing by the Parties, neither Party nor any member of such Party's Group shall have any right of set-off or other similar rights with respect to (a) amounts payable pursuant to this Agreement or any Ancillary Agreement or (b) any other amounts claimed to be owed to the other Party or any member of its Group arising out of this Agreement or any Ancillary Agreement.

Section 11.06 Continuity of Service and Performance. Unless otherwise agreed in writing, the Parties shall continue to provide services and honor all other commitments under this Agreement and each Ancillary Agreement during the course of dispute resolution pursuant to the provisions of Section 11.02, Section 11.03 or Section 11.04 with respect to all matters not subject to such dispute resolution.

Section 11.07 Governing Law. This Agreement and any disputes relating to, arising out of or resulting from this Agreement, including to its execution, performance, or enforcement, shall be governed by, and construed and enforced in accordance with, the Laws of the State of Delaware, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof.

Section 11.08 Assignability. Except as otherwise provided for in this Agreement, neither this Agreement nor any right, interest or obligation arising under this Agreement shall be assignable (including by means of a divisional or divisive merger or similar transaction), in whole or in part, directly or indirectly, by either Party without the prior written consent of the other Party, and any attempt to assign any rights, interests or obligations arising under this Agreement without such consent shall be void.

Section 11.09 Third-Party Beneficiaries. Except for the rights of the members of each Party's Group as set forth herein, and for the indemnification rights under this Agreement of any Parent Indemnitee or SpinCo Indemnitee in his, her or its capacity as such, (a) the provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

Section 11.10 Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given (a) when delivered in person, (b) on the date received, if sent by a nationally recognized delivery or courier service, (c) upon written confirmation of receipt after transmittal by electronic mail (followed by delivery of an original via overnight courier service) or (d) upon the earlier of confirmed receipt or the fifth (5th) Business Day following the date of mailing if sent by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to Parent, to:

CompoSecure, Inc.
309 Pierce Street
Somerset, NJ 08873
Attn: Corporate Secretary
Email: legal@composecure.com

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Attn: Scott A. Barshay
Laura C. Turano
Email: sbarshay@paulweiss.com
lturano@paulweiss.com

If to SpinCo, to:

Resolute Holdings Management, Inc.
445 Park Avenue, Suite 15F
New York, NY 10022
Attn: Thomas R. Knott
Email:

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Attn: Scott A. Barshay
Laura C. Turano
Email: sbarshay@paulweiss.com
lturano@paulweiss.com

Either Party may, by notice to the other Party, change the address and identity of the Person to which such notices and copies of such notices are to be given. Each Party agrees that nothing in this Agreement shall affect the other Party's right to serve process in any other manner permitted by Law (including pursuant to the rules for foreign service of process authorized by the Hague Convention).

Section 11.11 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by an arbitrator or court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances, or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such arbitrator or court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

Section 11.12 Publicity. Each of Parent and SpinCo shall consult with the other and shall, subject to the requirements of Section 6.09, provide the other Party the opportunity to review and comment upon any press releases or other public statements in connection with the Spin-Off or any of the other transactions contemplated hereby and any filings with any Governmental Authority or national securities exchange with respect thereto, in each case prior to the issuance or filing thereof, as applicable (including the Information Statement, the Parties' respective Current Reports on Form 8-K to be filed on the Distribution Date, the Parties' respective Quarterly Reports on Form 10-Q filed with respect to the fiscal quarter during which the Distribution Date occurs, or if such quarter is the fourth fiscal quarter, the Parties' respective Annual Reports on Form 10-K filed with respect to the fiscal year during which the Distribution Date occurs (each such Quarterly Report on Form 10-Q or Annual Report on Form 10-K, a "First Post-Distribution Report")). Each Party's obligations pursuant to this Section 11.12 shall terminate on the date on which such Party's First Post-Distribution Report is filed with the Commission.

Section 11.13 Expenses. Except as expressly provided in this Agreement or in any Ancillary Agreement, (a) all third-party fees, costs and expenses incurred by either Parent, any other member of the Parent Group or SpinCo in connection with effecting the Spin-Off prior to or on the Distribution Date will be borne and paid by Parent and (b) all third-party fees, costs and expenses incurred by either the Parent Group or the SpinCo Group in connection with effecting the Spin-Off following the Distribution Date, will be borne and paid by the Party incurring such fee, cost or expense. For the avoidance of doubt, this Section 11.13 shall not affect each Party's responsibility to indemnify Parent Liabilities or SpinCo Liabilities, as applicable, arising from the transactions contemplated by the Distribution.

Section 11.14 Headings. The article, section and paragraph headings contained in this Agreement, including in the table of contents of this Agreement, are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 11.15 Survival of Covenants. Except as expressly set forth in this Agreement, the covenants in this Agreement and the Liabilities for the breach of any obligations in this Agreement shall survive the Spin-Off and shall remain in full force and effect.

Section 11.16 Waivers of Default. No failure or delay of any Party (or the applicable member of its Group) in exercising any right or remedy under this Agreement or any Ancillary Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.

Section 11.17 Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party; provided that a Party may assign any or all of its rights, interests and obligations hereunder to any other member of such Party's Group, so long as such assignee agrees pursuant to an agreement in writing reasonably satisfactory to the other Party to be bound by the terms of this Agreement as if named a "Party"; provided, further, that no assignment permitted by this Section 11.17 shall release the assigning Party from liability for the full performance of its obligations under this Agreement, unless agreed to in writing by the non-assigning Party. In the case of any assignment permitted by this Section 11.17, the assigning Party shall provide prompt written notice of such assignment to the non-assigning Party.

Section 11.18 Interpretation. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires. The terms "hereof," "herein," "herewith" and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole (including all of the Schedules hereto) and not to any particular provision of this Agreement. Article, Section or Schedule references are to the Articles, Sections and Schedules of or to this Agreement unless otherwise specified. Any capitalized terms used in any Schedule to this Agreement or to any Ancillary Agreement but not otherwise defined therein shall have the meaning as defined in this Agreement or the Ancillary Agreement to which such Schedule is attached, as applicable. Any definition of or reference to any agreement, instrument or other document herein (including any reference herein to this Agreement) shall, unless otherwise stated, be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein, including in Section 11.17). The word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless the context otherwise requires or unless otherwise specified. The word "or" shall not be exclusive. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if." All references to "$" or dollar amounts are to the lawful currency of the United States of America. References herein to any Law shall be deemed to refer to such Law as amended, reenacted, supplemented or superseded in whole or in part and in effect from time to time and also to all rules and regulations promulgated thereunder. Except as expressly set forth in this Agreement, the Parties (or their respective Group members) shall make, or cause to be made, any payment that is required to be made pursuant to this Agreement as promptly as practicable and without regard to any local currency constraints or similar restrictions. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring either Party by virtue of the authorship of any provisions hereof.

[*Remainder of page left intentionally blank; signature pages follow.*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first noted above by their duly authorized representatives.

COMPOSECURE, INC.

By: _____
Name:
Title:

RESOLUTE HOLDINGS MANAGEMENT, INC.

By: _____
Name:
Title:

[*Signature Page to Separation and Distribution Agreement*]

Exhibit 3.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

RESOLUTE HOLDINGS MANAGMENT, INC.

****

Resolute Holdings Management, Inc. (the "Corporation"), a corporation duly organized and existing by virtue of the General Corporation Law of the State of Delaware (as from time to time in effect, the "DGCL"), DOES HEREBY CERTIFY as follows:

FIRST: The name of the Corporation is Resolute Holdings Management, Inc. The date of filing of its original certificate of incorporation with the Secretary of State of the State of Delaware was September 27, 2024.

SECOND: This Amended and Restated Certificate of Incorporation (this "Certificate of Incorporation"), which restates and integrates and also further amends the provisions of the Corporation's certificate of incorporation as heretofore in effect, was duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL and by the written consent of its stockholder in accordance with Section 228 of the DGCL.

THIRD: This Certificate of Incorporation is amended, integrated and restated to read in its entirety as set forth on Exhibit A attached hereto and made a part hereof.

****

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Incorporation to be executed by its duly authorized officer on this day of , 20__.

RESOLUTE HOLDINGS MANAGEMENT, INC.

By: _____
Name:
Title:

[*Signature page to Certificate of Incorporation*]

Exhibit A

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

RESOLUTE HOLDINGS MANAGEMENT, INC.

****

ARTICLE ONE

NAME

The name of the corporation is Resolute Holdings Management, Inc. (the "Corporation").

ARTICLE TWO

REGISTERED OFFICE AND AGENT

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

ARTICLE THREE

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (as from time to time in effect, the "DGCL").

ARTICLE FOUR

AUTHORIZED CAPITAL STOCK

(a) The total number of shares of all classes of stock that the Corporation shall have authority to issue is 1,100,000,000 of which 1,000,000,000 shares shall be designated as Common Stock, par value of $0.0001 per share ("Common Stock"), and 100,000,000 shares shall be designated as Preferred Stock, par value of $0.0001 per share ("Preferred Stock").

(b) As provided in the last sentence of Section 242(b)(2) of the DGCL and subject to the rights of the holders of any series of Preferred Stock, the authorized number of shares of any class or series of stock of the Corporation may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the total voting power of the outstanding shares of stock of the Corporation entitled to vote thereon, and no separate vote of any such class or series of stock of the Corporation the authorized number of which is to be increased or decreased shall be necessary to effect such change irrespective of the other sentences of Section 242(b)(2) of the DGCL.

ARTICLE FIVE

COMMON STOCK

The following is a statement of the designations, preferences, qualifications, limitations, restrictions and special or relative rights granted to or imposed upon the shares of Common Stock. Except as otherwise provided in this Certificate of Incorporation (which term, whenever used herein, shall include any certificate filed with the office of the Secretary of State of the State of Delaware establishing the terms of a series of Preferred Stock in accordance with Article FIVE (such certificate, a "Preferred Stock Designation")), all shares of Common Stock shall be identical and shall entitle the holders of such shares to the same rights and privileges. The terms of the Common Stock set forth below shall be subject to the express terms of any series of Preferred Stock then outstanding.

(a) Dividends and Distributions. Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or other class or series of stock of the Corporation having a preference over or right to participate with the Common Stock as to dividends or other distributions pursuant to the relevant Preferred Stock Designation, holders of Common Stock shall be entitled to receive ratably on a per share basis such dividends or other distributions (payable in cash, shares of stock of the Corporation, property or assets of the Corporation or otherwise) as may be declared and paid on the Common Stock, at the times and in the amounts as the board of directors of the Corporation (the "Board of Directors") in its discretion may determine.

(b) Liquidation, Dissolution or Winding Up. Upon the occurrence of the voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, after payment or provision of the debts and other liabilities of the Corporation and subject to the rights, if any, of the holders of any outstanding series of Preferred Stock or other class or series of stock of the Corporation having a preference over or right to participate with the Common Stock as to distributions upon such liquidation, dissolution or winding up of the affairs of the Corporation, holders of Common Stock shall be entitled to receive all of the remaining assets of the Corporation available for distribution, ratably in proportion to the number of shares held by them.

(c) Voting Rights. Holders of Common Stock shall have the general right to vote for all purposes, including the election, removal or replacement of directors, as provided by law and in this Certificate of Incorporation. Each holder of Common Stock shall be entitled to one vote for each share of Common Stock held. There shall be no cumulative voting. Notwithstanding the foregoing, except as otherwise provided by this Certificate of Incorporation or as required by the DGCL, no holder of Common Stock, as such, shall be entitled to vote on any amendment or alteration of this Certificate of Incorporation that exclusively alters, amends or changes the powers, preferences, rights or other terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other series of Preferred Stock, to vote on the applicable amendment or alteration pursuant to this Certificate of Incorporation or pursuant to the DGCL.

(d) No Preemptive or Subscription Rights. No holder of shares of Common Stock shall be entitled to preemptive, redemption, conversion or subscription rights.

ARTICLE SIX

PREFERRED STOCK

(a) Shares of Preferred Stock may be issued in one or more series from time to time by Board of Directors. The Board of Directors is expressly authorized, by resolution or resolutions thereof, to provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix the designations and the powers, preferences and rights, and the qualifications, limitations and restrictions of such powers, preferences and rights, of the shares of such series of Preferred Stock, including without limitation, the following:

(i) the distinctive serial designation of such series that shall distinguish it from other series;

(ii) the number of shares included in such series;

(iii) the dividend rate (or method of determining such rate) payable to the holders of the shares of such series, any conditions upon which such dividends shall be paid and the date or dates upon which such dividends shall be payable;

(iv) whether dividends on the shares of such series shall be cumulative and, in the case of shares of any series having cumulative dividend rights, the date or dates or method of determining the date or dates from which dividends on the shares of such series shall be cumulative;

(v) the amount or amounts that shall be payable out of the assets of the Corporation to the holders of the shares of such series upon voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of the shares of such series;

(vi) the price or prices at which, the period or periods within which and the terms and conditions upon which the shares of such series may be redeemed, in whole or in part, at the option of the Corporation or at the option of the holder or holders of the shares of such series or upon the happening of a specified event or events;

(vii) the obligation, if any, of the Corporation to purchase or redeem shares of such series pursuant to a sinking fund or otherwise and the price or prices at which, the period or periods within which and the terms and conditions upon which the shares of such series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(viii) whether or not the shares of such series shall be convertible into, or exchangeable for, at any time or times at the option of the holder or holders of the shares of such series or at the option of the Corporation or upon the happening of a specified event or events, shares of any other class or classes or any other series of Preferred Stock or any other class or classes of stock of the Corporation, and the price or prices or rate or rates of exchange or conversion and any adjustments applicable to such exchange or conversion;

(ix) whether or not the holders of the shares of such series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights; and

(x) any other powers, preferences and rights and qualifications, limitations and restrictions not inconsistent with the DGCL.

(b) The powers, preferences and rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series of Preferred Stock at any time outstanding. Except as may otherwise be provided in this Certificate of Incorporation or required by the DGCL, no holder of any share of any series of Preferred Stock, as such, shall be entitled as of right to vote on: (i) any amendment or alteration of this Certificate of Incorporation to authorize or create, or increase the authorized amount of, any other series of Preferred Stock; or (ii) any alteration, amendment or repeal of any provision of any other series of Preferred Stock that does not adversely affect in any material respect the rights of the series of Preferred Stock held by such holder.

ARTICLE SEVEN

BOARD OF DIRECTORS

(a) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(b) Elections of directors need not be by written ballot except and to the extent provided in the bylaws of the Corporation (as amended from time to time, the "Bylaws").

(c) Number of Directors.

(i) Subject to the rights granted to holders of any series of Preferred Stock then outstanding to elect directors under specified circumstances or otherwise ("Preferred Stock Directors"), the number of directors of the Corporation shall be fixed from time to time pursuant to resolution or resolutions of the Board of Directors; provided that the maximum number of directors (other than Preferred Stock Directors) should not exceed twelve.

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

(d) Vacancies and Newly Created Directorships. Subject to subsection (c)(ii) of this Article SEVEN, except as otherwise required by law and unless the Board of Directors otherwise determines, newly created directorships resulting from any increase in the authorized number of directors or any vacancies on the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled only by an affirmative vote of the majority of the remaining directors then in office, though less than a quorum, or by a sole remaining director, and not by the stockholders. Any director so chosen to fill a vacancy not resulting from an increase in the number of directors shall have the same class designation and remaining term as that of his or her predecessor.

(e) Classified Board. Upon the effectiveness of this Certificate of Incorporation (the "Effective Date"), the directors of the Corporation shall be divided into three classes, as nearly equal in number as reasonably possible, designated Class I, Class II and Class III. Class I directors shall initially serve until the first annual meeting of stockholders following the Effective Date. Class II directors shall initially serve until the second annual meeting of stockholders following the Effective Date. Class III directors shall initially serve until the third annual meeting of stockholders following the Effective Date. The directors of each class shall hold office until their successors have been duly elected and qualified. At each annual meeting of stockholders following such initial classification and election, directors elected to succeed the directors whose terms expire at such annual meeting shall be elected to hold office for a term of three years following their election and until their successors have been duly elected and qualified. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain or attain a number of directors in each class as nearly equal as reasonably possible. In no event shall a decrease in the number of directors shorten the term of any incumbent director. Subject to the rights of any class or series of Preferred Stock to elect and remove directors, any director or the entire Board of Directors may only be removed for cause by an affirmative vote of the holders of at least two-thirds of the total voting power of the outstanding shares of stock of the Corporation entitled to vote at an election of directors. Following the date when Resolute Compo Holdings LLC and Resolute ManCo Holdings LLC (together with their respective affiliates (as defined below) and successors and assigns (other than the Corporation and its subsidiaries), collectively, the "Investor") cease to beneficially own, in the aggregate, 40% of the total voting power of the outstanding shares of stock of the Corporation entitled to vote for the election of directors (other than any Preferred Stock Directors) (such date, the "Trigger Date"), this Article SEVEN may not be amended, modified or repealed, except by the affirmative vote of the holders of at least two-thirds of the total voting power of the outstanding shares of stock of the Corporation entitled to vote thereon. The Board of Directors is authorized to assign directors already in office to their respective classes at the time this Article SEVEN becomes effective. For the purposes of this Certificate of Incorporation, beneficial ownership of shares shall be determined in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

ARTICLE EIGHT

STOCKHOLDER ACTION BY WRITTEN CONSENT; SPECIAL MEETING

(a) Stockholder Action by Written Consent. Prior to the Trigger Date, any action required or permitted to be taken by the stockholders of the Corporation or other persons as are authorized to call special meetings by the Bylaws, including but not limited to the election of directors, may be taken by written consent or consents of the stockholders of the Corporation if: (i) such consent or consents are signed by or on behalf of the holders of outstanding shares of stock of the Corporation having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of stockholders at which all outstanding shares of stock of the Corporation entitled to vote on the action were present and voted; and (ii) such consent or consents are delivered to the Corporation in accordance with the DGCL. Following the Trigger Date, subject to the rights of the holders of any series of Preferred Stock, any action required or permitted to be taken by stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders.

(b) Special Meetings. Prior to the Trigger Date, special meetings of stockholders may be called only: (i) by or at the direction of the Executive Chairman of the Board of Directors or the Board of Directors pursuant to a resolution or resolutions thereof; or (ii) with respect to any action required or permitted to be taken by stockholders of the Corporation, by the Secretary of the Corporation (or, if there is no Secretary of the Corporation, the Executive Chairman) at the written request of the holders of a majority of the total voting power of the outstanding shares of stock of the Corporation that would be entitled to vote on such action. Following the Trigger Date, except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of stockholders may be called only by: (A) the Executive Chairman of the Board of Directors; or (B) the Secretary of the Corporation (or, if there is no Secretary of the Corporation, the Executive Chairman) at the direction of a majority of the directors then in office. Special meetings of stockholders may not be called by any person other than the persons specified in this subsection (b) of Article EIGHT.

ARTICLE NINE

LIMITATION OF DIRECTOR AND OFFICER LIABILITY

(a) A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent that such exemption from liability or limitation is not permitted under the DGCL as currently in effect or as the same may be amended after the effectiveness of this Certificate of Incorporation. If the DGCL is amended after the effectiveness of this Certificate of Incorporation to authorize the further elimination or limitation of the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended from time to time. No amendment, modification or repeal of this Article NINE or the adoption of any provision of the Certificate of Incorporation inconsistent with this Article NINE, or, to the fullest extent permitted by the DGCL, any modification of law, shall adversely affect any right or protection of a director in respect of any act or omission occurring prior to the time of such amendment, modification, repeal or adoption.

(b) An officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as an officer, except to the extent that such exemption from liability or limitation is (i) not permitted under the DGCL as currently in effect or as the same may be amended after the effectiveness of this Certificate of Incorporation or (ii) in any action brought by or in the right of the Corporation. If the DGCL is amended after the effectiveness of this Certificate of Incorporation to authorize the further elimination or limitation of the personal liability of officers other than in any action by or in the right of the Corporation, then the liability of an officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended from time to time, except to the extent any such amendment purports to eliminate a claim brought by or in the right of the Corporation prior to the effectiveness of such amendment. No amendment, modification or repeal of this Article NINE or the adoption of any provision of the Certificate of Incorporation inconsistent with this Article NINE, or, to the fullest extent permitted by the DGCL, any modification of law, shall adversely affect any right or protection of an officer in respect of any act or omission occurring prior to the time of such amendment, modification, repeal or adoption.

ARTICLE TEN

CORPORATE OPPORTUNITIES

(a) Recognition of Corporate Opportunities. The Corporation recognizes and anticipates that: (i) certain directors, officers, principals, partners, members, managers, employees, agents and/or other representatives of Investor may serve as directors, officers or agents of the Corporation and its controlled affiliates; (ii) Investor may now or in the future engage in and may continue to engage in and may manage persons that engage in and may continue to engage in (x) the same or similar activities or related lines of business as those in which the Corporation and controlled affiliates, directly or indirectly, may engage and/or (y) other business activities that overlap with or compete with those in which the Corporation and its controlled affiliates, directly or indirectly, may engage; and (iii) there will be benefits to be derived by the Corporation or its controlled affiliates through its contractual, corporate and business relations with Investor (including possible service of Identified Persons (as defined below) as officers, directors and agents of the Corporation or its controlled affiliates) and there will be benefits in providing guidelines for the Identified Persons and of the Corporation with respect to the allocation of corporate opportunities and other matters. The provisions of this Article TEN are set forth to regulate and define the conduct of certain affairs of the Corporation and its controlled affiliates with respect to certain classes or categories of business opportunities as they may involve Investor, any person (as defined below) who, while a stockholder, director, officer or agent of the Corporation or any of its controlled affiliates, is a director, officer, principal, partner, member, manager, employee, agent and/or other representative of Investor (each, an "Identified Person"), on the one hand, and the powers, rights, duties and liabilities of the Corporation and its controlled affiliates and its and their respective stockholders, directors, officers and agents, on the other hand. To the fullest extent permitted by law (including, without limitation, the DGCL), and notwithstanding any other duty (contractual, fiduciary or otherwise, whether at law or in equity), each Identified Person shall have the right to, directly or indirectly, engage in, possess interests in and manage other business ventures of every type and description, including those engaged in the same or similar business activities or lines of business as the Corporation or any of its controlled affiliates or deemed to be competing with the Corporation or any of its controlled affiliates. In addition, no Identified Person shall have any duty, whether contractual, fiduciary or otherwise, whether at law or in equity, not to engage in any of the foregoing activities, interests, ventures or opportunities, whether competitive or otherwise. The scope of activities permitted or otherwise authorized by this Article TEN shall apply without regard to whether the Identified Person pursues such activities, interests, ventures or opportunities on its own account, or in partnership with, or as a direct or indirect equity holder, controlling person, stockholder, director, officer, employee, agent, affiliate, party to a management agreement for the oversight of the business, operations and strategy of another person, member, financing source, investor, director or indirect manager, general or limited partner or assignee of any other person. Under no circumstances shall any Identified Person have an obligation to offer to the Corporation or its controlled affiliates the right to participate in any of the activities, interests, ventures or opportunities described in this subsection (a). Each Identified Person shall also have the right to invest in, or provide services to, any person that is engaged in the same or similar business activities as the Corporation or its controlled affiliates or directly or indirectly competes with the Corporation or any of its controlled affiliates.

(b) Competitive Opportunities. In the event that any Identified Person acquires knowledge of a potential transaction or matter that may be an investment, corporate or business opportunity or prospective economic or competitive advantage in which the Corporation or any of its controlled affiliates could have an interest or expectancy (contractual, equitable or otherwise) (a "Competitive Opportunity") or otherwise is then exploiting, to the fullest extent permitted under the DGCL and notwithstanding any other duty existing at law or in equity, the Corporation and its controlled affiliates will have no interest in, and no expectation (contractual, equitable or otherwise) that such Competitive Opportunity be offered to it. To the fullest extent permitted by law and subject to subsection (c) of this Article TEN, any such interest or expectation (contractual, equitable or otherwise) is renounced so that such Identified Person shall: (i) have no duty (contractual, fiduciary or otherwise) to communicate or present such Competitive Opportunity to the Corporation or its controlled affiliates; (ii) have the right to either hold any such Competitive Opportunity for such Identified Person's own account and benefit or the account of the former, current or future direct or indirect equity holders, controlling persons, stockholders, directors, officers, employees, agents, affiliates, members, financing sources, investors, direct or indirect managers, general or limited partners or assignees of any Identified Person or to direct, recommend, assign or otherwise transfer such Competitive Opportunity to persons other than the Corporation or any of its controlled affiliates or direct or indirect equity holders; and (iii) notwithstanding any provision in the Certificate of Incorporation to the contrary, not be obligated or liable to the Corporation, any stockholder, director or officer of the Corporation or any other person by reason of the fact that such Identified Person, directly or indirectly, took any of the actions noted in the immediately preceding clause (ii), pursued or acquired such Competitive Opportunity for itself or any other person or failed to communicate or present such Competitive Opportunity to the Corporation or its controlled affiliates.

(c) Interpretation; Duties. In the event of a conflict or other inconsistency between this Article TEN and any other Article or provision of the Certificate of Incorporation, this Article TEN shall prevail under all circumstances. Notwithstanding anything to the contrary in this Certificate of Incorporation, under no circumstances shall the provisions of this Article TEN limit or eliminate any duty (contractual, fiduciary or otherwise, whether at law or in equity) owed by any employee of the Corporation or any of its controlled affiliates to the Corporation; provided that such employee is not a director, officer, principal, partner, member, manager, employee, agent and/or other representative of Investor (in which case, for the avoidance of doubt, Article TEN does so limit or eliminate any such duty). Further, under no circumstances shall the Corporation be deemed to have renounced any Competitive Opportunity as to any employee of the Corporation or its controlled affiliates.

(d) Section 122(17) of the DGCL. For the avoidance of doubt, subject to subsection (c) of this Article TEN, this Article TEN is intended to constitute, with respect to the Identified Persons, a disclaimer and renunciation, to the fullest extent permitted under Section 122(17) of the DGCL, of any right of the Corporation or any of its controlled affiliates with respect to the matters set forth in this Article TEN. This Article TEN shall be construed to effect such disclaimer and renunciation to the fullest extent permitted under the DGCL.

(e) Business Ventures. The Corporation and its controlled affiliates do not have any rights in and to the business ventures of any Identified Person, or the income or profits derived from those business ventures.

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

(g) Amendments. Neither the alteration, amendment or repeal of this Article TEN, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article TEN, shall eliminate or reduce the effect of this Article TEN in respect of any Competitive Opportunity first identified or any other matter occurring, or any cause of action, suit or claim that, but for this Article TEN, would accrue or arise, prior to such alteration, amendment, repeal or adoption.

ARTICLE ELEVEN

SECTION 203 OF THE DGCL AND BUSINESS COMBINATIONS

(a) Section 203 of the DGCL. The Corporation expressly elects not to be governed by Section 203 of the DGCL.

(b) Business Combinations with Interested Stockholders. Notwithstanding any other provision in this Certificate of Incorporation, the Corporation shall not engage in any business combination (as defined below), at any point in time at which the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, with any interested stockholder (as defined below) for a period of three years following the time that such stockholder became an interested stockholder, unless:

(i) prior to such time, the Board of Directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

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

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

(c) Exceptions to Prohibition on Interested Stockholder Transactions. The restrictions contained in this Article ELEVEN shall not apply if:

(i) stockholder becomes an interested stockholder inadvertently and (A) as soon as practicable divests itself of ownership of sufficient shares so that such stockholder ceases to be an interested stockholder; and (B) would not, at any time within the three-year period immediately prior to a business combination between the Corporation and such stockholder, have been an interested stockholder but for the inadvertent acquisition of ownership; or

(ii) the business combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (A) constitutes one of the transactions described in the second sentence of this subsection (c)(ii) of Article ELEVEN; (B) is with or by a person who either was not an interested stockholder during the previous three years or who became an interested stockholder with the approval of the Board of Directors; and (C) is approved or not opposed by a majority of the directors then in office (but not less than one) who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to (1) a merger or consolidation of the Corporation (except for a merger in respect of which, pursuant to Section 251(f) of the DGCL, no vote of the stockholders of the Corporation is required); (2) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation (other than to any direct or indirect wholly-owned subsidiary or to the Corporation) having an aggregate market value equal to 50% or more of either that aggregate market value of all of the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock (as defined hereinafter) of the Corporation; or (3) a proposed tender or exchange offer for 50% or more of the outstanding voting stock of the Corporation. The Corporation shall give not less than 20 days' notice to all interested stockholders prior to the consummation of any of the transactions described in clause (1) or (2) of the second sentence of this subsection (c)(ii) of Article ELEVEN.

(d) Definitions. For the purposes of Article SEVEN, Article TEN and this Article ELEVEN, each reference to:

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

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

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

(A) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (1) with the interested stockholder, or (2) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder, and, as a result of such merger or consolidation, this Article ELEVEN is not applicable to the surviving entity;

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

(C) any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except: (1) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such; (2) pursuant to a merger under Section 251(g) of the DGCL; (3) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (4) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of said stock; or (5) any issuance or transfer of stock by the Corporation. In no case under items (3)-(5) of the preceding sentence shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the Corporation or the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments);

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

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

(iv) "control", including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person who is the owner of 20% or more of the outstanding voting stock of any corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing this Article ELEVEN, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a "group" (as such term is used in Rule 13d-5 promulgated under the Exchange Act as such rule is in effect as of the date of this Certificate of Incorporation) have control of such entity.

(v) "interested stockholder" means any person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of 15% or more of the outstanding voting stock of the Corporation, or (ii) is an affiliate or associate of the Corporation and was the owner of 15% or more of the outstanding voting stock of the Corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder; and the affiliates and associates of such person. Notwithstanding anything in this Article ELEVEN to the contrary, the term "interested stockholder" shall not include (A) Investor, any Investor Direct Transferee, any Investor Indirect Transferee, any of their respective affiliates, any person managed by any member of Investor pursuant to a management agreement or similar agreement, any successor of any of the foregoing persons or any "group", or any member of any such "group", to which such persons are a party under Rule 13d-5 of the Exchange Act or (B) any person whose ownership of shares in excess of the 15% limitation set forth in this Certificate of Incorporation is the result of any action taken solely by the Corporation, but such person shall be an interested stockholder if such person then acquires additional shares of voting stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of the definition of "owner" below but shall not include any other unissued stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

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

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

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

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

(B) has the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, except that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered stock is accepted for purchase or exchange;

(C) has the right to vote such stock pursuant to any agreement, arrangement or understanding, except that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten or more persons; or

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

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

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

(xi) "voting stock" means stock of any class or series entitled to vote generally in the election of directors.

ARTICLE TWELVE

EXCLUSIVE FORUM

Unless the Corporation consents in writing to the selection of an alternative forum, and subject to applicable jurisdictional requirements, the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (c) any action asserting a claim arising pursuant to any provision of the DGCL, this Certificate of Incorporation or the Bylaws or (d) any action asserting a claim governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware lacks jurisdiction over such action or proceeding, then another court of the State of Delaware or, if no court of the State of Delaware has jurisdiction, then the United States District Court for the District of Delaware). The foregoing sentence shall not apply to claims arising under the Securities Act of 1933, as amended (the "Securities Act"), the Exchange Act or other federal securities laws for which there is exclusive federal or concurrent federal and state jurisdiction. Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

ARTICLE THIRTEEN

AMENDMENTS

(a) Amendment of Bylaws. The Board of Directors is expressly authorized to adopt, amend, alter, repeal or rescind, in whole or in part, the Bylaws. By affirmative vote of the holders of a majority of the total voting power of the shares of stock of the Corporation entitled to vote thereon, voting together as a single class, stockholders may adopt, amend, alter or repeal the Bylaws. Notwithstanding the previous sentence, following the Trigger Date, any amendment, alteration, repeal or rescission of Sections 2.2, 2.9, 2.10, 3.4, 8.5 or Article VII of the Bylaws (as such sections and Articles are numbered on the date hereof, and other than to change the numbers of such provisions upon the adoption or repeal of other provisions in accordance herewith) shall require the affirmative vote of at least two-thirds of the total voting power of the shares of stock of the Corporation entitled to vote on such amendment, alteration, repeal, rescission or adoption, voting together as a single class.

(b) Amendment of Certificate of Incorporation. Notwithstanding anything contained in this Certificate of Incorporation to the contrary, and in addition to any specific requirements contained in this Certificate of Incorporation with respect to any particular Article or provision of this Certificate of Incorporation, at any time following the Trigger Date, Article SIX, SEVEN, EIGHT, NINE, TEN, ELEVEN and this Article THIRTEEN may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent with those provisions or this provision may be adopted, only by the affirmative vote of the holders of at least two-thirds of the total voting power of the shares of stock of the Corporation entitled to vote on such amendment, alteration, repeal, rescission or adoption, voting together as a single class.

Exhibit 3.2

AMENDED AND RESTATED

BYLAWS

OF

RESOLUTE HOLDINGS MANAGEMENT, INC.

(Adopted as of)

ARTICLE I

Offices

Section 1.1 Registered Office. The registered office of Resolute Holdings Management, Inc. (the "Corporation") in the State of Delaware, and the name of its registered agent at such address, shall be as set forth in the Certificate of Incorporation of the Corporation (as amended from time to time, the "Certificate of Incorporation").

Section 1.2 Other Offices. The Corporation may have a principal or other office or offices at such other place or places, either within or without the State of Delaware, as the board of directors of the Corporation (the "Board of Directors") may from time to time determine or as shall be necessary or appropriate for the conduct of the business of the Corporation.

ARTICLE II

Stockholders

Section 2.1 Annual Meetings. An annual meeting of stockholders for the election of directors and such other business as shall be properly brought before the meeting in accordance with these Bylaws of the Corporation (as amended from time to time, these "Bylaws") shall be held at such date, time and place, if any, either within or without the State of Delaware as may be designed by the Board of Directors from time to time. Alternatively, the annual meeting may not be held at any place, but may instead be held solely by means of remote communication, as may be designated by the Board of Directors from time to time. The Board of Directors may postpone, reschedule or cancel any previously scheduled annual meeting of stockholders.

Section 2.2 Special Meetings. Special meetings of stockholders may only be called in the manner provided in the Certificate of Incorporation. Special meetings of stockholders shall be held at such date, time and place, if any, either within or without the State of Delaware as may be designed by the Board of Directors from time to time. Alternatively, the special meeting may not be held at any place, but may instead be held by means of remote communication, as may be designed by the Board of Directors from time to time. At a special meeting of stockholders, only such business shall be conducted as shall be specified in the notice of meeting (or any supplement to the notice of meeting).

Section 2.3 Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given in accordance with the General Corporation Law of the State of Delaware (as from time to time in effect, the "DGCL"). The notice shall state: (i) the place, if any, date and time of the meeting; (ii) the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting; (iii) the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting; and (iv) in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. If given by electronic mail, such notice shall be deemed to be given as provided in the DGCL. Notice shall be deemed to have been given to all stockholders of record who share an address if notice is given in accordance with the "householding" rules set forth in the rules of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 233 of the DGCL.

Section 2.4 Adjournments. Subject to Section 2.2, any meeting of stockholders, annual or special, may be adjourned from time to time, to reconvene at the same or some other place or by means of remote communication by the person presiding over the meeting in accordance with Section 2.6 (in the case of adjournment after the establishment of a quorum) or in accordance with Section 2.5 (in the case of adjournment in the absence of a quorum). In such event, notice of the adjournment need not be given if the time, place, if any, and the means of remote communications, if any, of the adjourned meeting are (i) announced at the meeting at which the adjournment is taken, (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication or (iii) set forth in the notice of the meeting. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 2.5 Quorum. Except where otherwise provided by law or the Certificate of Incorporation or these Bylaws, at each meeting of stockholders, the holders of a majority of the total voting power of the outstanding shares of stock entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business at such meeting. When specified business is to be voted on by one or more classes or series of stock voting as a separate class, the holders of a majority of the voting power of the shares of such classes or series shall constitute a quorum of such separate class for the transaction of such business. In the absence of a quorum, the chairperson of the meeting determined in accordance with Section 2.6 or, in the absence of such person, the holders of a majority of the total voting power of the shares of stock present in person or represented by proxy at any meeting of stockholders, including an adjourned meeting, may adjourn such meeting to another time or place. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes. Notwithstanding anything to the contrary, the foregoing shall not limit the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 2.6 Organization. At each meeting of stockholders, the Executive Chairman of the Board of Directors (the "Executive Chairman") shall preside over the meeting. If the Executive Chairman is absent, such meeting shall be presided over by a chairperson chosen by the Executive Chairman or, in the absence of such a choice, any director or officer of the Corporation designated by the Board of Directors (or in the absence of any such designation, the most senior officer present) shall preside over the meeting. The Secretary, or in the absence of the Secretary an Assistant Secretary, shall act as secretary of the meeting. In the absence of the Secretary and any Assistant Secretary, the chairperson of the meeting may appoint any person to act as secretary of the meeting.

The Board of Directors may adopt such rules and regulations for the conduct of any meeting of the stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the order of business at and any other rules and regulations for the conduct of each such meeting shall be as determined by the chairperson of the meeting. Such rules and procedures, whether adopted by the Board of Directors or the chairperson of the meeting, may include, without limitations: (i) procedures for the maintenance of order and safety; (ii) limits on the time allotted to questions or comments on the affairs of the Corporation; (iii) restrictions on entry to such meeting after the time prescribed for the commencement of the meeting; and (iv) procedures for the opening and closing of the voting polls for each item on which a vote is to be taken. Unless and to the extent determined by the Board of Directors or the chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 2.7 Inspectors. Prior to or at any meeting of stockholders, the Board of Directors or the Chief Executive Officer of the Corporation or the chairperson of the meeting: (i) shall appoint one or more inspectors to act at such meeting and make a written report of such meeting; and (ii) may designate one or more persons as alternate inspectors to replace any inspector who fails to act. Before entering upon the discharge of his or her duties, each inspector shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall: (A) ascertain the number of shares outstanding and the voting power of each; (B) determine the shares represented at the meeting and the validity of proxies and ballots; (C) count all votes and ballots; (D) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and (E) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons to assist them in the performance of their duties.

The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. In determining the validity and counting of proxies and ballots, the inspectors shall be limited to: (i) an examination of the proxies, and any envelopes submitted with such proxies; (ii) any information provided by a stockholder who submits a proxy by telegram, cablegram, or other electronic transmission from which it can be determined that the proxy was authorized by the stockholder; (iii) any written ballot or, if authorized by the Board of Directors, a ballot submitted by electronic transmission together with any information from which it can be determined that the electronic transmission was authorized by the stockholder; (iv) any information provided in a record of a vote if such vote was taken at the meeting by means of remote communication along with any information used to verify that any person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder; and (v) the regular books and records of the Corporation. The inspectors may also consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for such purpose, at the time they make their certification, the inspectors shall specify (A) the precise information considered by them, including the person or persons from whom they obtained the information; (B) when the information was obtained; (C) the means by which the information was obtained; and (D) the basis for the inspectors' belief that such information is accurate and reliable.

Section 2.8 Voting; Proxies. Unless otherwise provided in the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. If the Certificate of Incorporation provides for more or less than one vote for any share on any matter, every reference in these Bylaws to a majority or other proportion of stock, or shares of any class or series of stock, shall refer to such majority or other proportion of the votes of such stock or shares. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy. Notwithstanding the foregoing, no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable but only if the proxy is coupled with an interest sufficient in law to support an irrevocable power. Any such interest may be in the stock itself or an interest in the Corporation generally. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing a written instrument revoking the proxy or another duly executed proxy bearing a later date with the secretary of the meeting. Subject to the rights of holders of Preferred Stock with respect to the election of any Preferred Stock Directors (as defined in the Certificate of Incorporation), directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. In all other matters, unless otherwise provided by law or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. For purposes of this Section 2.8, votes cast "for" or "against" and "abstentions" with respect to such matter shall be counted as shares of stock of the Corporation entitled to vote on such matter, while "broker non-votes" (or other shares of stock of the Corporation similarly not entitled to vote) shall not be counted as shares entitled to vote on such matter. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use by the Board of Directors.

Section 2.9 Notice of Stockholder Business and Nominations.

(a) Annual Meeting of Stockholders.

(i) At any annual meeting of the stockholders, nominations of persons for election to the Board of Directors or other business that have not been properly brought before the meeting shall not be considered or conducted. For nominations to be properly made at an annual meeting, and proposals of business to be properly brought before an annual meeting, nominations and proposals of other business must be: (A) pursuant to the Corporation's notice of meeting (or any supplement to the notice of meeting) delivered pursuant to Section 2.3; (B) by or at the direction of the Board of Directors or any duly authorized committee of the Board of Directors; or (C) by any stockholder of the Corporation who (x) was a stockholder of record at the time of giving of notice provided for in these Bylaws and at the time of the annual meeting, (y) is entitled to vote at the meeting and (z) complies with the notice procedures set forth in this Bylaw as to such business or nomination. Clause (C) of this Section 2.9(a)(i) shall be the exclusive means for a stockholder to make nominations or submit other business (other than matters properly brought under Rule 14a-8 under the Exchange Act and included in the Corporation's proxy statement for the solicitation of proxies by the Corporation for such meeting).

(ii) Without qualification or limitation, for any nominations or any other business to be properly brought before an annual meeting by a stockholder pursuant to Section 2.9(a)(i)(C), the stockholder must have given timely notice of the nominations or other business in writing to the Secretary (or, if there is no Secretary, the Chief Financial Officer), and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary (or, if there is no Secretary, the Chief Financial Officer) at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth day and not later than the close of business on the ninetieth day prior to the first anniversary of the preceding year's annual meeting (which date shall, for purposes of the Corporation's first annual meeting of stockholders after its shares of common stock are first publicly traded, be deemed to have occurred on [●]). Notwithstanding the previous sentence, in the event that the date of the annual meeting is more than thirty days before or more than sixty days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the opening of business on the one hundred twentieth day prior to the date of such annual meeting and not later than the close of business on the later of the ninetieth day prior to the date of such annual meeting or, if the first public announcement of the date of such annual meeting is less than one hundred days prior to the date of such annual meeting, the tenth day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting or the announcement of any adjournment or postponement of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. In addition, to be timely, a stockholder's notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is ten business days prior to the meeting or any adjournment or postponement of the meeting. Such update and supplement shall be delivered to the Secretary (or, if there is no Secretary, the Chief Financial Officer) at the principal executive offices of the Corporation not later than five business days after the record date for the meeting in the case of the update and supplement required to be made as of the record date, and not later than eight business days prior to the date for the meeting, any adjournment or postponement of the meeting in the case of the update and supplement required to be made as of ten business days prior to the meeting or any adjournment or postponement of the meeting. Whether given pursuant to this Section 2.9(a)(ii) or Section 2.9(b), to be in proper form, a stockholder's notice to the Secretary (or, if there is no Secretary, the Chief Financial Officer) must set forth, as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made: (A) the name and address of each of (1) such stockholder, as they appear on the Corporation's books and records, (2) such beneficial owner, if any, and (3) their respective affiliates or associates; (B) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record by such stockholder, such beneficial owner, and of their respective affiliates or associates; (C) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation directly or indirectly owned beneficially by such stockholder, the beneficial owner, if any, or any affiliates or associates; (D) any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the Corporation directly or indirectly owned beneficially by such stockholder, the beneficial owner, if any, or any affiliates or associates; (E) any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, including due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise, through the delivery of cash or other property, or otherwise, and without regard of whether the stockholder, the beneficial owner, if any, or any affiliates or associates or others acting in concert therewith, may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation (any of the foregoing, a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder, the beneficial owner, if any, or any affiliates or associates; (F) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote any shares of any security of the Corporation; (G) any contract, arrangement, understanding, relationship or otherwise, including any repurchase or similar so-called "stock borrowing" agreement or arrangement, engaged in, directly or indirectly, by such stockholder, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of the shares of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such stockholder with respect to any class or series of the shares of the Corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any security of the Corporation (any of the foregoing, a "Short Interest"); (H) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder that are separated or separable from the underlying shares of the Corporation; (I) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership; (J) any performance-related fees (other than an asset-based fee) that such stockholder is directly or indirectly entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household; (K) representations that such stockholder (1) is entitled to vote at the meeting and intends to appear in person or represented by a proxy at the meeting to propose such nomination or other business and (2) shall provide all other information and affirmations, updates and supplements required pursuant to, and otherwise comply with, these Bylaws; and (L) with respect to any notice of such nomination, representations as to whether such stockholder intends to (1) deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock to approve the nomination, (2) solicit proxies in support of director nominees other than the Corporation's nominees in accordance with the Exchange Act and (3) comply with all other applicable requirements of the Exchange Act with respect to the matters set forth therein. The notice described in the preceding sentence shall also set forth, as to each person, if any, whom the stockholder proposes to nominate for election or reelection to the Board of Directors all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the Corporation's proxy statement as a nominee and to serving as a director if elected) and a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and beneficial owner (including any proposed nominee), if any, and their respective affiliates and associates, or others acting in concert with them, including, without limitation, all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate of them, or person acting in concert with them, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant. In addition, with respect to each nominee for election or reelection to the Board of Directors, each such notice must include, at the time made, a completed and signed questionnaire, representation and agreement required by Section 2.10. At its sole discretion, the Corporation may also require any proposed nominee to furnish such information as may reasonably be required by the Corporation to determine: (x) the qualifications of such proposed nominee; (y) the eligibility of such proposed nominee to serve as an independent director of the Corporation; or (z) that could be material to a reasonable stockholder's understanding of the qualifications and independence, or lack thereof, of such nominee. The Corporation may also require any proposed nominee to furnish such information as may reasonably be required, pursuant to applicable law, to be disclosed in the proxy materials concerning all persons nominated (by the Corporation or otherwise) for election as a director of the Corporation, whether or not the nominee is to be included in the Corporation's proxy statement. The proposed nominee shall furnish to the Corporation the requested information pursuant to the preceding two sentences within ten days after receipt of

any such request. The proposed nominee shall also agree and acknowledge that all information provided to the Company pursuant to this Bylaw may be publicly disclosed by the Company including in disclosures pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

(iii) If the notice described in Section 2.9(a)(ii) relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting, then, to be in proper form, the notice shall also set forth: (i) a brief description of the business desired to be brought before the meeting; (ii) the reasons for conducting such business at the meeting and any material interest of such stockholder and beneficial owner, if any, in such business; (iii) the text of the proposal or business (including the text of any resolutions proposed for consideration, and, in the event that such business includes a proposal to amend the bylaws, the text of such proposed amendment); and (iv) a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder. For the avoidance of doubt, if the notice described in Section 2.9(a)(ii) relates to both a nomination of a director or directors and other business, the notice shall set forth all of the required information pursuant to this paragraph and the immediately preceding paragraph.

(iv) In the event that the number of directors to be elected to the Board of Directors is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least one hundred days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice of a nomination of a director or directors required by this Bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary (or, if there is no Secretary, the Chief Financial Officer) at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(v) Any stockholder giving notice pursuant to Section 2.9(a)(ii) or Section 2.9(b) shall (A) provide any other information reasonably requested from time to time by the Corporation within five business days after each such request, (B) update and supplement promptly (and in any event no later than two business days prior to the commencement of the applicable meeting of stockholders) any information provided to the Corporation in such notice, or at the Corporation's request pursuant to the foregoing clause (A), if any such information ceases for any reason to be accurate or complete in any material respect and (C) affirm such information as accurate and complete as of two business days prior to the commencement of the applicable meeting of stockholders. Any such affirmation, update and/or supplement must be delivered personally or mailed to, and received by the Secretary (or, if there is no Secretary, the Chief Financial Officer) at the principal executive offices of the Corporation.

(b) Special Meetings of Stockholders. The only business that shall be conducted at a special meeting of stockholders shall be as set forth in the Corporation's notice of meeting, delivered prior to the special meeting in accordance with these Bylaws. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting by or at the direction of the Board of Directors. In addition, nominations for election of directors at a special meeting at which directors are to be elected pursuant to the Corporation's notice of meeting may be made by any stockholder of the Corporation who: (i) is a stockholder of record at the time of giving of notice provided for in this Bylaw and at the time of the special meeting; (ii) is entitled to vote at the meeting and (iii) complies with the notice procedures set forth in this Bylaw as to such nomination. With respect to the immediately preceding sentence, however, such nominations by stockholders shall only be made where the Board of Directors or Investor pursuant to subsection (b) of Article NINE of the Certificate of Incorporation have determined that directors will be elected at the meeting. The immediately preceding two sentences shall be the exclusive means by which a stockholder may make nominations before a special meeting of stockholders at which directors are to be elected or appointed. Any nominations that do not comply with the foregoing shall not be considered or conducted. In the event that the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any stockholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting only if the stockholder's notice required by Section 2.9(a)(ii) with respect to any nomination shall be delivered to the Secretary (or, if there is no Secretary, the Chief Financial Officer) at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth day prior to the date of such special meeting and not later than the close of business on the later of the ninetieth day prior to the date of such special meeting. For the avoidance of doubt, the stockholder's notice so delivered shall include the completed and signed questionnaire, representation and agreement required by Section 2.10. If the first public announcement of the date of such special meeting is less than one hundred days prior to the date of such special meeting, such notice shall be delivered to the Secretary (or, if there is no Secretary, the Chief Financial Officer) at the principal executive offices of the Corporation not later than the tenth day following the day on which the Corporation first makes a public announcement of the date of the special meeting at which directors are to be elected. In no event shall any adjournment or postponement of a special meeting or the announcement of any adjournment or postponement of a special meeting commence a new time period for the giving of a stockholder's notice as described in the immediately preceding sentence.

(c) General.

(i) Any persons who are not nominated in accordance with the procedures set forth in this Bylaw shall not be eligible to be elected as directors. Only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Bylaw. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws or as otherwise determined by the Board of Directors, the chairperson of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Bylaw. In the event any proposed nomination or business is not in compliance with this Bylaw, the chairperson shall declare the defective proposal or nomination to be invalid. Unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the Corporation's annual or special meeting of stockholders to make a nomination or present a proposal of other business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Bylaw, to be considered a qualified representative of the stockholder, a person must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders. Such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(ii) For purposes of this Bylaw, "public announcement" shall mean disclosure in a press release reported by a national news service or in a document publicly filed or furnished by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(iii) Notwithstanding the foregoing provisions of this Bylaw, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw. Notwithstanding the previous sentence, any references in these Bylaws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to Section 2.9(a)(i)(C) or Section 2.9(b). Nothing in this Bylaw shall be deemed to affect any rights: (A) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act; or (B) of the holders of any series of Preferred Stock, par value of $0.0001 per share, of the Corporation, if and to the extent provided for under law, the Certificate of Incorporation or these Bylaws. Subject to Rule 14a-8 under the Exchange Act, nothing in these Bylaws shall be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Corporation's proxy statement any nomination of director or directors or any other business proposal.

Section 2.10 Submission of Questionnaire, Representation and Agreement. To be eligible to be a nominee of any stockholder for election or reelection as a director of the Corporation and qualified to serve as a director, a person must deliver to the Secretary (or, if there is no Secretary, the Chief Financial Officer) at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person (and the background of any other persons or entities on whose behalf the nomination is being made, if made, pursuant to Section 2.9(a)(1)(C) or the second sentence of Section 2.9(b)). If a person has not delivered such written questionnaire, such person shall not be eligible to be a nominee for election or reelection as a director of the Corporation. In the case of a person nominated for election as a director of the Corporation, pursuant to Section 2.9(a)(1)(C) or the second sentence of Section 2.9(b), such delivery shall be made in accordance with the time periods prescribed for delivery of notice in respect of such nominations under Section 2.9. In the case of a person nominated by or at the direction of the Board of Directors, such questionnaire shall be delivered in accordance with the policies of the Board of Directors in effect from time to time. If delivery of such notice is not made in accordance with these time periods, such person shall not be eligible to be a nominee for election or reelection as a director of the Corporation. In the case of a person nominated pursuant to Section 2.9(a)(1)(C) or the second sentence of Section 2.9(b), the questionnaire shall be provided by the Secretary (or, if there is no Secretary, the Chief Financial Officer) to the proposed nominee upon written request by the proposed nominee or the nominating stockholder on such person's behalf. In the case of a person nominated pursuant to Section 2.9(a)(1)(C) or the second sentence of Section 2.9(b), a person shall not be eligible to be a nominee of a stockholder for election or reelection as a director of the Corporation and qualified to serve as a director unless such person also delivers a written representation and agreement that such person: (a) is not and will not become a party to (i) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (ii) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law; (b) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed in the questionnaire; and (c) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation. The form of written representation and agreement shall also be provided by the Secretary (or, if there is no Secretary, the Chief Financial Officer) to the proposed nominee upon written request by the proposed nominee or the nominating stockholder on such person's behalf.

Section 2.11 Fixing Date for Determination of Stockholders of Record. In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment of a meeting of stockholders, the Board of Directors may fix a record date. The record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors. The record date shall not be more than sixty nor less than ten days before the meeting date. If the Board of Directors fixes a date, that date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting. Notwithstanding the previous sentence, the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting. In such case, the Board of Directors shall also fix the record date for stockholders entitled to notice of such adjourned meeting as the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting in accordance with this Section 2.11.

In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date. The record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors. The record date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors and when no prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with the DGCL. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

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

Section 2.12 List of Stockholders Entitled to Vote. At least ten days before every meeting of stockholders, the Secretary (or, if there is no Secretary, the Chief Financial Officer) shall prepare and make a complete list of the stockholders entitled to vote at the meeting. Notwithstanding the previous sentence, if the record date for determining the stockholders entitled to vote is less than ten days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date. The list shall be arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Nothing in this Section 2.12 shall require the Corporation to include electronic mail addresses or other electronic content information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least ten days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting; or (b) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation.

ARTICLE III

Board of Directors

Section 3.1 Powers; Number; Qualifications. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided by law or in the Certificate of Incorporation. The Board of Directors shall consist of one or more members, each of whom shall be a natural person. From time to time, the Board of Directors shall determine the number of members in accordance with the Certificate of Incorporation.

Section 3.2 Election; Term of Office; Resignation; Removal; Vacancies. Each director shall hold office until the next election of the class for which such director shall have been chosen, and until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any director may resign at any time upon notice given in writing or by electronic transmission to the Board of Directors or to the Chief Executive Officer or the Secretary. Such resignation shall be effective upon delivery, unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. Unless otherwise specified in the resignation, no acceptance of such resignation shall be necessary to make the resignation effective. Any director or the entire Board of Directors may be removed in accordance with the Certificate of Incorporation. Unless otherwise provided in the Certificate of Incorporation or these Bylaws, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class or from any other cause may be filled only by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. Whenever the holders of any class or classes of stock or series of stock are entitled to elect one or more directors by the Certificate of Incorporation, vacancies and newly created directorships of such class or classes of stock or series of stock may be filled by a majority of the directors elected by such class or classes of stock or series of stock then in office, or by the sole remaining director so elected. Any director elected or appointed to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor.

Section 3.3 Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine, and, if so determined, notice of the meetings need not be given.

Section 3.4 Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the Executive Chairman, if any, or the Chief Executive Officer. Prior to the Trigger Date (as defined in the Certificate of Incorporation), special meetings of the Board of Directors may be also called by Investor at any time. Special meetings shall be called by the Executive Chairman or Chief Executive Officer in like manner and on like notice on the written request of any three or more directors. Reasonable notice of special meetings shall be given by the person or persons calling the meeting.

Section 3.5 Participation in Meetings by Telephone Conference Permitted. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or of such committee by means of telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation in a meeting pursuant to this Bylaw shall constitute presence in person at such meeting.

Section 3.6 Quorum; Vote Required for Action. At all meetings of the Board of Directors, the presence of a majority of the directors then in office shall constitute a quorum for the transaction of business. The vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the Certificate of Incorporation or these Bylaws shall require a vote of a greater number. If at any meeting of the Board of Directors a quorum shall not be present, the members of the Board of Directors present may adjourn the meeting from time to time until a quorum shall be present. The directors present at any meeting at which a quorum has been established may continue to transact business until adjournment notwithstanding the withdrawal of enough directors to have less than a quorum.

Section 3.7 Organization. Meetings of the Board of Directors shall be presided over by the Executive Chairman. In the absence of the Executive Chairman, meetings of the Board of Directors shall be presided over by a chairperson chosen by the Executive Chairman or, if there is no Executive Chairman, the Board of Directors at the meeting. The Secretary, or in the absence of the Secretary, an Assistant Secretary or any other person designated by the Board of Directors at the meeting, shall act as secretary of the meeting.

Section 3.8 Action by Directors Without a Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee of the Board of Directors, may be taken without a meeting if all members of the Board of Directors or of such committee consent in writing or by electronic transmission. Any such writing or writings or electronic transmission or transmissions shall be filed with the minutes of proceedings of the Board of Directors or such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 3.9 Compensation of Directors. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation, including fees, reimbursement of expenses and equity compensation, of directors for services to the Corporation in any capacity, including for attendance of meetings of the Board of Directors or participation on any committees. Directors who are officers or employees of the Corporation may receive, if the Board of Directors desires, compensation for service as directors. Nothing in these Bylaws shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation for such service.

ARTICLE IV

Committees

Section 4.1 Committees. The Board of Directors may designate one or more committees, including an executive committee and any committee required by the rules and regulations of any exchange as any securities of the Corporation are listed. Each committee shall consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members of the committee present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. To the extent permitted by law and provided in the resolution of the Board of Directors establishing such committee or in these Bylaws, any committee of the Board of Directors shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation. No committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by law to be submitted to stockholders for approval or (ii) adopting, amending or repealing these Bylaws.

Section 4.2 Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may adopt, amend and repeal rules for the conduct of its business. In the absence of a provision by the Board of Directors or a provision in the rules of such committee to the contrary, each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article III.

ARTICLE V

Officers

Section 5.1 Officers; Election. The officers of the Corporation shall include any officers required by the DGCL, each of whom shall be elected by the Board of Directors and who shall hold office for such terms as shall be determined by the Board of Directors and until their successors are elected and qualified or until their earlier resignation or removal. In addition, the Board of Directors may elect an Executive Chairman, Chief Executive Officer, a President, a Chief Financial Officer, one or more Vice Presidents, including one or more Executive Vice Presidents, Senior Vice Presidents, a Treasurer, one or more Assistant Treasurers, a Secretary, one or more Assistant Secretaries and any other additional officers as the Board of Directors may deem desirable or appropriate and may give any of them such further designations or alternate titles as it considers desirable. Any number of offices may be held by the same person unless prohibited by law or the Certificate of Incorporation or these Bylaws otherwise provide. The Board of Directors may also elect from among its members a Chairperson of the Board of Directors and a Vice Chairperson of the Board of Directors.

Section 5.2 Term of Office; Resignation; Removal; Vacancies. Unless otherwise provided in the resolution of the Board of Directors electing any officer, each officer shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any officer may resign at any time upon written notice or electronic transmission to the Board of Directors or to the Chief Executive Officer or the Secretary. Such resignation shall be effective upon delivery, unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. Unless otherwise specified in the resignation, no acceptance of such resignation shall be necessary to make it effective. The Board of Directors may remove any officer with or without cause at any time. Any such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation. The election of an officer shall not of itself create contractual rights. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise, may be filled by the Board of Directors at any regular or special meeting.

Section 5.3 Executive Chairman. The Executive Chairman shall be a director of the Corporation.

Section 5.4 Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer and shall have general charge and supervision of the business of the Corporation. The Chief Executive Officer shall perform all duties incident to the office of president of a corporation and such other duties as may, from time to time, be assigned to him or her by the Board of Directors or as may be provided by law.

Section 5.5 President. Each President shall have such general powers and duties of supervision and management as shall be assigned to him or her by the Board of Directors.

Section 5.6 Vice Presidents. Each Vice President shall have such powers and shall perform such duties as shall be assigned to him or her by the Board of Directors.

Section 5.7 Chief Financial Officer. The Board of Directors shall appoint a Chief Financial Officer to serve at the pleasure of the Board of Directors. The Chief Financial Officer shall: (i) have the custody of the corporate funds and securities, except as otherwise provided by the Board of Directors; (ii) keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation; (iii) deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors; (iv) disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements; and (v) render to the Chief Executive Officer and the Board of Directors, whenever they may require it, an account of all his or her transactions as Chief Financial Officer and of the financial condition of the Corporation.

Section 5.8 Secretary. The Secretary shall have the duty to record the proceedings of the meetings of the stockholders, the Board of Directors and any committees in a book to be kept for that purpose. The Secretary (i) shall see that all notices are given in accordance with the provisions of these Bylaws or as required by law and (ii) shall be custodian of the records of the Corporation. The Secretary shall perform all other duties incident to the office of secretary of a corporation and such other duties as may, from time to time, be assigned to him or her by the Board of Directors or the Chief Executive Officer or as may be provided by law.

Section 5.9 Other Officers. The Corporation's other officers shall have such powers and duties in the management of the Corporation as shall be stated in a resolution of the Board of Directors. Any such resolution shall not be inconsistent with these Bylaws and, to the extent not so stated, such other officers shall have such powers and duties as generally pertain to their respective offices and shall be subject to the Board of Director's control. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his or her duties.

Section 5.10 Actions with Respect to Securities of Other Entities. All stock and other securities of other entities owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted (including by written consent), and all proxies with respect thereto shall be executed, by the person or persons authorized to do so by resolution of the Board of Directors or, except to the extent inconsistent with any resolution of the Board of Directors, by the Executive Chairman, if any, the Chief Executive Officer, the Chief Financial Officer or the Secretary, if any.

ARTICLE VI

Stock

Section 6.1 Stock Certificates and Uncertificated Shares. The shares of stock in the Corporation may be represented by certificates. The Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the Corporation's stock shall be uncertificated shares. Any such resolutions shall not apply to shares represented by a certificate previously issued until such certificate is surrendered to the Corporation. If the shares of stock of the Corporation shall be certificated, such certificates shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock represented by certificates, if any, shall be entitled to have a certificate signed by or in the name of the Corporation by any two authorized officers of the Corporation. Any or all of the signatures on a certificate may be a facsimile or other electronic signature. In case any officer, transfer agent or registrar who has signed or whose facsimile or electronic signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Corporation may not issue stock certificates in bearer form.

Section 6.2 Shares Without Certificates. The Corporation, if required by the DGCL or other applicable law, shall, within a reasonable time after the issue or transfer of shares without certificates, give a notice to the registered owner thereof containing the information required to be set forth or stated on stock certificates by the applicable provisions of the DGCL. The Corporation may adopt a system of issuance, recordation and transfer of its shares of stock by electronic or other means not involving the issuance of certificates, provided the use of such system by the Corporation is permitted in accordance with applicable law.

Section 6.3 Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate previously issued by it, alleged to have been lost, stolen or destroyed. The Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

Section 6.4 Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agents and registry offices or agents at such place or places as may be determined from time to time by the Board of Directors.

Section 6.5 Record Owners. The stock ledger shall be the only evidence as to who are the stockholders of the Corporation. The Corporation shall be entitled to recognize the exclusive right of a person registered on its stock ledger as the owner of shares to receive dividends, to vote and to receive notice, and otherwise to exercise all of the rights and powers of an owner of such shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice of the claim, except as otherwise required by law.

ARTICLE VII

Indemnification

Section 7.1 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise or nonprofit entity, including service with respect to an employee benefit plan (an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, agent or trustee or in any other capacity while serving as a director, officer, employee, agent or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware law, as the same exists or may be amended. In the case of any such amendment, the amendment shall, if permitted, be limited to the Corporation providing broader indemnification rights than such law permitted the Corporation to provide prior to such amendment. The right to indemnification shall cover any expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith. Notwithstanding anything to the contrary in this Section 7.1, except as provided in Section 7.3 with respect to proceedings to enforce rights to indemnification or advancement of expenses or with respect to any compulsory counterclaim brought by such indemnitee, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part of a proceeding) initiated by such indemnitee only if such proceeding (or part of such proceeding) was authorized by the Board of Directors.

Section 7.2 Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 7.1, an indemnitee shall also have the right to be paid by the Corporation for the expenses (including, without limitation, attorney's fees) incurred in appearing at, participating in or defending any such proceeding referred to in Section 7.1 in advance of its final disposition or in connection with a proceeding brought to establish or enforce a right to indemnification or advancement of expenses under this Article VII (which shall be governed by Section 7.3 (an "advancement of expenses"). Notwithstanding the foregoing, but only to the extent so required by the DGCL, such payment of expenses in advance of the final disposition of the applicable proceeding shall be made upon receipt of an undertaking by the indemnitee to repay all amounts advanced if it should be ultimately determined by final judicial decision from which there is no further right to appeal (a "final adjudication") that such indemnitee is not entitled to be indemnified under this Article VII or otherwise.

Section 7.3 Right of Indemnitee to Bring Suit. If a claim under Section 7.1 or 7.2 is not paid in full by the Corporation within (a) sixty days after a written claim for indemnification has been received by the Corporation or (b) twenty days after a claim for an advancement of expenses has been received by the Corporation (in each case, provided that the indemnitee has delivered the undertaking contemplated by the last sentence of Section 7.2), the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim or to obtain advancement of expenses, as applicable. To the fullest extent permitted by law, if the indemnitee is successful in whole or in part in: (i) any suit to enforce his or her indemnification rights under these Bylaws or (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be reimbursed for all of the costs and expenses incurred in prosecuting or defending such suit, including, without limitation, reasonable attorneys' fees. In any suit brought by the indemnitee to enforce a right to indemnification under these Bylaws it shall be a defense that the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. No such defense shall apply, however, with respect to a suit brought by the indemnitee to enforce a right to an advancement of expenses. In any suit brought by the indemnitee to enforce a right to indemnification under these Bylaws it shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses where the undertaking required pursuant to the last sentence of Section 7.2, if any, has been tendered to the Corporation) that the claimant has not met the applicable standard of conduct that makes it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed, but the burden of proof shall be on the Corporation to the fullest extent permitted by law. In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. For the avoidance of doubt, such expenses shall include, without limitation, reasonable attorneys' fees. Neither: (A) the failure of the Corporation to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL; nor (B) an actual determination by the Corporation that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct, or, in the case of such a suit brought by the indemnitee, be a defense to such suit. For the avoidance of doubt, the term Corporation as used in the immediately preceding sentence shall include the Corporation's directors who are not parties to such action, a committee of such directors, independent legal counsel or the Corporation's stockholders. Whether in an action brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses under these Bylaws, or in an action brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the Corporation.

Section 7.4 Indemnification Not Exclusive.

(a) The provision of indemnification to or the advancement of expenses and costs to any indemnitee under this Article VII, or the entitlement of any indemnitee to indemnification or advancement of expenses and costs under this Article VII, shall not limit or restrict in any way the power of the Corporation to indemnify or advance expenses and costs to such indemnitee in any other way permitted by law. Nor shall the provision of such indemnification or advancement be deemed exclusive of, or invalidate, any right to which any indemnitee seeking indemnification or advancement of expenses and costs may be entitled under any law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such indemnitee's capacity as an officer, director, employee or agent of the Corporation and as to action in any other capacity.

(b) Given that certain jointly indemnifiable claims may arise due to the service of the indemnitee as a director and/or officer of the Corporation at the request of the indemnitee-related entities, the Corporation shall be fully and primarily responsible for the payment to the indemnitee in respect of indemnification or advancement of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of the Certificate of Incorporation or these Bylaws (or any other agreement between the Corporation and such persons) in connection with any such jointly indemnifiable claims, pursuant to and in accordance with the terms of this Article VII, irrespective of any right of recovery the indemnitee may have from the indemnitee-related entities. Any obligation on the part of any indemnitee-related entities to indemnify or advance expenses to any indemnitee shall be secondary to the Corporation's obligation and shall be reduced by any amount that the indemnitee may collect as indemnification or advancement from the Corporation. The Corporation irrevocably waives, relinquishes and releases the indemnitee-related entities from any and all claims it may have against the indemnitee-related entities for contribution, subrogation or any other recovery of any kind in respect of contribution or subrogation. Under no circumstance shall the Corporation be entitled to any right of subrogation or contribution by the indemnitee-related entities. No right of advancement or recovery the indemnitee may have from the indemnitee-related entities shall reduce or otherwise alter the rights of the indemnitee or the obligations of the Corporation regardless of source. In the event that any of the indemnitee-related entities shall make any payment to the indemnitee in respect of indemnification or advancement of expenses with respect to any jointly indemnifiable claim, the indemnitee-related entity making such payment shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee against the Corporation. The indemnitee shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the indemnitee-related entities effectively to bring suit to enforce such rights. Each of the indemnitee-related entities shall be third-party beneficiaries with respect to this Section 7.4(b), entitled to enforce this Section 7.4(b).

For purposes of this Section 7.4(b), the following terms shall have the following meanings:

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

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

Section 7.5 Corporate Obligations; Reliance. The rights granted pursuant to the provisions of this Article VII shall vest at the time a person becomes a director or officer of the Corporation. Such vested rights shall be deemed to create a binding contractual obligation on the part of the Corporation to the persons who from time to time are elected as officers or directors of the Corporation. Persons acting in their capacities as officers or directors of the Corporation or any of its subsidiaries shall be entitled to rely on such provisions of this Article VII without giving notice of their reliance to the Corporation. Such rights shall continue as to an indemnitee who has ceased to be a director or officer and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article VII that adversely affects any right of an indemnitee or its successors shall be prospective only. Any such amendment, alteration or repeal shall not limit, eliminate or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

Section 7.6 Insurance. At its expense, the Corporation may maintain insurance to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 7.7 Indemnification of Employees and Agents of the Corporation. To the extent authorized from time to time by the Board of Directors, the Corporation may grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

ARTICLE VIII

Miscellaneous

Section 8.1 Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

Section 8.2 Seal. The Board of Directors may provide a suitable corporate seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary (or, if there is no Secretary, the Chief Financial Officer). If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Chief Financial Officer, the Treasurer or by an Assistant Secretary or Assistant Treasurer.

Section 8.3 Waiver of Notices to Stockholders, Directors and Committees. Whenever notice is required to be given by law or under any provision of the Certificate of Incorporation or these Bylaws, a written waiver of the notice, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time that the notice is given or required to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or these Bylaws.

Section 8.4 Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on, or by means of, or be in the form of, any information storage device, or method. Records so kept in any manner permitted by the DGCL and subject to the previsions thereof.

Section 8.5 Amendment of Bylaws. These bylaws may be amended, altered or repealed, and new bylaws adopted, only in the manner set forth in the Certificate of Incorporation.

Exhibit 10.1

MANAGEMENT AGREEMENT

This MANAGEMENT AGREEMENT, dated as of _____, 2025, is entered into by and between CompoSecure Holdings, L.L.C., a Delaware limited liability company (the "Company"), and Resolute Holdings Management, Inc., a Delaware corporation (the "Manager").

WHEREAS, the board of directors (the "Parent Board") of CompoSecure, Inc., a Delaware corporation and parent of the Company (the "Parent"), has determined that it is advisable and in the best interests of Parent and its stockholders for Parent to establish a management business to be conducted by Manager and subsequently spin off the Manager, as an independent publicly traded company (the "Spin-Off");

WHEREAS, the Company desires to retain the Manager to provide various management and other related services with respect to the Company in the manner and on the terms herein set forth;

WHEREAS, the Manager is willing to provide such management and related services in the manner and on the terms hereinafter set forth; and

NOW THEREFORE, in consideration of the premises and agreements hereinafter set forth, the parties hereto hereby agree as follows:

Section 1. Definitions.

(a) The following terms shall have the meanings set forth in this Section 1(a):

"Actions" has the meaning set forth in Section 9(a).

"Adjusted EBITDA" means , for any period, Net Income for such period, *plus*, without duplication, (i) the sum of the amounts for such period included in determining such Net Income of (A) Interest Expense, (B) Income Tax Expense, (C) Depreciation and Amortization Expense, (D) losses and expenses that are properly classified under GAAP as extraordinary, (E) all Quarterly Management Fees, (F) actual one-time and non-recurring fees, expenses and costs relating to any acquisition, business combination transaction or other transaction, in each case, evaluated, negotiated and, if applicable, implemented in accordance with the Management Agreement (whether or not closed), (G) any non-cash compensation charge or expense realized or resulting from any contingent payment obligation or similar payment obligation (including any "earn-out" obligation) that would require payments to any Person arising in connection with any acquisition, business combination transaction or other transaction consummated in accordance with the Management Agreement, (H) any impairment charges or asset write-offs, in each case, pursuant to GAAP, and (I) any other non-cash non-recurring expenses, *minus*, without duplication, (ii) (A) the sum of the amounts for such period included in determining such Net Income of (1) any gains on sales of assets and gains that are properly classified under GAAP as extraordinary, all as determined for the Company and its Subsidiaries on a consolidated basis in accordance with GAAP and (2) any cash payments made during such period in respect of non-cash charges described in clause (I) taken in a prior period, and (B) Parent Allocated Expense.

"Affiliate" means, with respect to a Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such other Person, (ii) any executive officer, employee or general partner of such Person, (iii) any member of the board of directors or board of managers (or bodies performing similar functions) of such Person and (iv) any legal entity for which such Person acts as an executive officer or general partner; *provided* that it is acknowledged and agreed that (x) the Company and its Subsidiaries shall not be deemed to be Affiliates of the Manager and its Subsidiaries, (y) the Manager and its Subsidiaries shall not be deemed to be Affiliates of the Company and its Subsidiaries and (z) other Persons managed by the Manager shall not be deemed to be Affiliates of the Manager or its Subsidiaries or the Company or its Subsidiaries.

"Agreement" means this Management Agreement, as amended, restated, supplemented or otherwise modified from time to time.

"Automatic Renewal Term" has the meaning set forth in Section 11(a).

"Business Day" means any day except a Saturday, a Sunday or a day on which banking institutions in New York, New York are not required to be open.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any Capitalized Lease, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Capitalized Lease" means any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP.

"Claim" has the meaning set forth in Section 9(c).

"Class A Common Stock" means the Class A Common Stock, par value $0.0001 per share, of Parent.

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

"Company's Business" means the activities, operations and business affairs of the Company and its controlled Affiliates.

"Company Expenses" has the meaning set forth in Section 8(b).

"Company Indemnified Party" has meaning set forth in Section 9(b).

"Company Kick-Out Event" means (i) a final judgment by any Governmental Authority of competent jurisdiction not stayed or vacated within thirty (30) days that the Manager has committed a felony or a material violation of applicable securities laws that has a material adverse effect on the business of the Company or the ability of the Manager to perform its duties under the terms of this Agreement, (ii) an order for relief in an involuntary bankruptcy case relating to the Manager or the Manager authorizing or filing a voluntary bankruptcy petition, (iii) the dissolution of the Manager or (iv) a final, non-appealable judgment by any Governmental Authority of competent jurisdiction that the Manager has (a) committed actual fraud against the Company, (b) misappropriated or embezzled funds of the Company or (c) acted, or failed to act, in a manner constituting bad faith, willful misconduct, gross negligence or reckless disregard in the performance of its duties under this Agreement; *provided*, *however*, that if any of the actions or omissions described in this clause (iv) are caused by an employee and/or officer of the Manager or one of its Affiliates and the Manager cures the damage caused by such actions or omissions within thirty (30) days of such determination, then such event shall not constitute a Company Kick-Out Event.

"Company Kick-Out Right" means the Company's right to terminate this Agreement, in accordance with the terms hereof, upon the occurrence of a Company Kick-Out Event.

"Company-Selected Valuation Firm" has the meaning set forth in Section 11(e)(ii).

"Company Termination Notice" has the meaning set forth in Section 11(b).

"Confidential Information" means all confidential, proprietary or non-public information of, or concerning the performance, terms, business, operations, activities, personnel, training, finances, actual or potential acquisitions, plans, compensation, clients or investors of the Company or its Subsidiaries, written or oral, obtained by the Manager in connection with the services rendered hereunder; *provided* that Confidential Information shall not include information which (i) is in the public domain at the time it is received by the Manager, (ii) becomes public other than by reason of a disclosure by the Manager in breach of this Agreement, (iii) was already in the possession of the Manager lawfully and on a non-confidential basis prior to the time it was received by the Manager from the Company or its Affiliates, (iv) was obtained by the Manager from a third-party which, to the Manager's knowledge, was not disclosed in breach of an obligation of such third-party not to disclose such information or (v) was developed independently by the Manager without using or referring to any of the Confidential Information.

"Consultation Period" has the meaning set forth in Section 11(b)(i).

"Covered Person" has the meaning set forth in Section 5(b).

"Depreciation and Amortization Expense" means, for any period, all depreciation and amortization expense of the Company and its Subsidiaries, all as determined on a consolidated basis in accordance with GAAP.

"Effective Date" means the date of the consummation of the Spin-Off.

"Effective Termination Date" means, as applicable, (a) with respect to any termination of this Agreement by the Company pursuant to Section 11(b), the last day of the Initial Term or Automatic Renewal Term during which the Company exercises such termination right, (b) with respect to any termination of this Agreement by the Manager pursuant to Section 11(d)(iii), the date upon which the Manager provides a Manager Termination Notice pursuant to Section 11(d)(iii), or (c) with respect to any other termination of this Agreement by the Company or the Manager pursuant to Section 11, the last day of the notice period required for the exercise by the Company or the Manager of its applicable termination right.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, or any successor statute thereto.

"Fair Market Value of Fees Payable" means, as of the Effective Termination Date, the fair market value of the aggregate Quarterly Management Fees then payable or that would become payable hereunder if this Agreement were automatically renewed and remained in effect in perpetuity. For the avoidance of doubt, the Fair Market Value of Fees Payable shall be determined without regard to any waiver or other discount by the Manager of any Quarterly Management Fee (which shall be calculated for purposes of the determination of the Fair Market Value of Fees Payable as though no such waiver or discount was applied).

"GAAP" means generally accepted accounting principles in the U.S.

"Governing Agreements" means, with regard to any entity, the articles of incorporation or certificate of incorporation and bylaws in the case of a corporation, the certificate of limited partnership (if applicable) and the partnership agreement in the case of a general or limited partnership, the certificate of formation and limited liability company agreement in the case of a limited liability company, the trust instrument in the case of a trust, or similar governing documents in each case, as amended, restated, supplemented or otherwise modified from time to time.

"Governmental Authority" means any domestic, foreign or transnational governmental, competition or regulatory authority, court, arbitral tribunal, agency, commission, body or other legislative, executive or judicial governmental entity or self-regulatory agency.

"Income Tax Expense" means, for any period, all provisions for taxes based on the net income of the Company or any of its Subsidiaries (including, without limitation, any additions to such taxes, and any penalties and interest with respect thereto and any expensed taxes), all as determined for the Company and its Subsidiaries on a consolidated basis in accordance with GAAP.

"Indemnified Party" has the meaning set forth in Section 9(b).

"Independent Director" means, a member of the Parent Board who qualifies as an "independent director" under the Exchange Act and the NASDAQ Rules.

"Interest Expense" means, with reference to any period, total interest expense (including that attributable to Capital Lease Obligations) of the Company and its Subsidiaries for such period with respect to all outstanding indebtedness of the Company and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptances and net costs under Swap Agreements in respect of interest rates, to the extent such net costs are allocable to such period in accordance with GAAP), calculated for The Company and its Subsidiaries on a consolidated basis for such period in accordance with GAAP.

"Initial Term" has the meaning set forth in Section 11(a).

"Initial Valuation Firm Review Period" has the meaning set forth in Section 11(e)(ii).

"Investment Bank-Selected Valuation Firm" has the meaning set forth in Section 11(e)(iii).

"Investment Company Act" means the U.S. Investment Company Act of 1940, as amended from time to time, or any successor statute thereto.

"Letter Agreement" means the letter agreement, dated as of _____, 2025, by and between Parent and the Manager.

"Losses" means any expenses, losses, damages, liabilities, demands, penalties, costs, charges and claims of any nature whatsoever (including any Out-of-Pocket Expenses).

"LTM Adjusted EBITDA" means, with respect to any twelve (12)-month period prior to a determination date, the last twelve (12) months' aggregate amount of Adjusted EBITDA. Schedule I sets forth an illustrative calculation of LTM Adjusted EBITDA for the fiscal year ended December 31, 2023.

"Manager" has the meaning set forth in the Preamble.

"Manager Expenses" has the meaning set forth in Section 8(a).

"Manager Indemnified Party" has the meaning set forth in Section 9(a).

"Manager Permitted Disclosure Parties" has the meaning set forth in Section 6(b).

"Manager-Selected Valuation Firm" has the meaning set forth in Section 11(e)(ii).

"Manager Termination Notice" has the meaning set forth in Section 11(d)(ii).

"Mediation" has the meaning set forth in Section 11(b)(ii).

"Mediator" has the meaning set forth in Section 11(b)(ii).

"Multiple on Fees Value" means an amount equal to (i) the aggregate Quarterly Management Fees that became payable hereunder during the twenty-four (24)-month period ended as of the last day of the most recent fiscal quarter completed prior to the Effective Termination Date multiplied by (ii) four (4). For the avoidance of doubt, the Multiple on Fees Value shall be determined without regard to any waiver or other discount by the Manager of any Quarterly Management Fee (which shall be calculated for purposes of the determination of the Multiple on Fees Value as though no such waiver or discount was applied).

"NASDAQ" means the Nasdaq Stock Market LLC.

"NASDAQ Rules" means the NASDAQ listing rules currently in effect and, as amended, restated, supplemented or otherwise modified from time to time.

"Net Income" means, for any period, the consolidated net income (or loss) determined for the Company and its Subsidiaries, on a consolidated basis in accordance with GAAP; *provided* that there shall be excluded (i) the income (or deficit) of any Person (other than a Subsidiary) in which the Company or any Subsidiary has an ownership interest, except to the extent that any such income is actually received by the Company or such Subsidiary in the form of dividends or similar distributions and (ii) the undistributed earnings of any Subsidiary, to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation law applicable to such Subsidiary.

"Net Present Value of Fees Payable" means, as of the Effective Termination Date, (i) the net present value of the aggregate Quarterly Management Fees then payable or that would become payable hereunder during the five (5)-year period following the Effective Termination Date, discounted annually at a per annum rate equal to six percent (6.0%), plus (ii) the net present value of the terminal value of the Quarterly Management Fees that would become payable hereunder after such five (5)-year period if this Agreement were automatically renewed and remained in effect in perpetuity. For the avoidance of doubt, the Net Present Value of Fees Payable shall be determined without regard to any waiver or other discount by the Manager of any Quarterly Management Fee (which shall be calculated for purposes of the determination of the Net Present Value of Fees Payable as though no such waiver or discount was applied).

"Out-of-Pocket Expenses" means any and all documented and reasonable out-of-pocket expenses (including fees and out-of-pocket disbursements of counsel).

"Parent" has the meaning set forth in the Recitals.

"Parent Allocated Expense" means, for any period, the sum of (i) all selling, general and administrative expenses of Parent, all as determined for Parent in accordance with GAAP and (ii) all provisions for taxes based on the net income of Parent (including, without limitation, any additions to such taxes, any penalties and interest with respect thereto and any expensed taxes), all as determined for Parent in accordance with GAAP.

"Parent Board" has the meaning set forth in the Recitals.

"Parent Trading Price" means the VWAP of one (1) share of Class A Common Stock for the five (5) consecutive trading days ending on the trading day immediately preceding the date that the Termination Fee is finally determined pursuant to Section 11(e) (as adjusted as appropriate to reflect any stock splits, stock dividends, combinations, reorganizations, reclassifications or similar events).

"Person" means any natural person, corporation, partnership, association, limited liability company, estate, trust, joint venture, any federal, state, county or municipal government or any bureau, department or agency thereof or any other legal entity and any fiduciary acting in such capacity on behalf of the foregoing.

"Quarterly Management Fee" means, with respect to each fiscal quarter, the quarterly management fee, payable in arrears, in a cash amount equal to two-and-a-half percent (2.5%) of LTM Adjusted EBITDA, measured for the period ending on the last day of the fiscal quarter then ended. The Quarterly Management Fee shall be *pro-rated* for partial periods, to the extent necessary, as described more fully elsewhere herein.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended from time to time, or any successor statute thereto.

"Subsidiary" means a corporation, limited liability company, partnership, joint venture or other entity or organization of which: (i) the Company or any other subsidiary of the Company is a general partner or managing member, or (ii) voting power to elect a majority of the board of directors, trustees or other Persons performing similar functions with respect to such entity or organization is held by the Company or by any one or more of the Company's subsidiaries; *provided* that, for the avoidance of doubt, it is acknowledged and agreed that (x) the Company and its Subsidiaries shall not be deemed to be Subsidiaries of the Manager and its Subsidiaries and (y) other Persons managed by the Manager shall not be deemed to be Subsidiaries of the Manager or its Subsidiaries or the Company or its Subsidiaries.

"Swap Agreement" means any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; *provided* that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Company or its Subsidiaries shall be a Swap Agreement.

"Termination Fee" means an amount equal to the greatest of (i) the Fair Market Value of Fees Payable, (ii) the Net Present Value of Fees Payable and (iii) the Multiple on Fees Value.

"Termination Fee Negotiation Period" has the meaning set forth in Section 11(e)(i).

"Termination Make-Whole Cash Payment" has the meaning set forth in Section 11(f).

"Termination Shares" has the meaning set forth in Section 11(f).

"Termination Shares Value" means an amount equal to (i) the aggregate number of Termination Shares *multiplied by* (ii) the Parent Trading Price.

"Termination Without a Company Kick-Out Event" has the meaning set forth in Section 11(b).

"Trading Days" means a day on which NASDAQ is open for the transaction of business.

"Valuation Firm" has the meaning set forth in Section 11(e)(iii).

"VWAP" means the daily per share volume-weighted average price of Class A Common Stock on the principal U.S. securities exchange, "over-the-counter" market or automated or electronic quotation system on which Class A Common Stock trades, as displayed under the heading Bloomberg VWAP on the Bloomberg page designated for Class A Common Stock (or its equivalent successor if such page is not available) in respect of the period from the open of trading on such day until the close of trading on such day (or if such volume-weighted average price is unavailable, the per share volume-weighted average price of such Class A Common Stock on such day (determined without regard to afterhours trading or any other trading outside the regular trading session or trading hours)).

(b) As used herein, "fiscal quarters" shall mean the applicable fiscal quarter of Parent and "fiscal year" shall mean the applicable fiscal year of Parent. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section references are to this Agreement unless otherwise specified. References herein to "Sections," "clauses" and other subdivisions, and to Schedules, without reference to a document are to the specified Sections, clauses and other subdivisions of and Schedules to, this Agreement. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning. References to "dollars" or "$" mean United States dollars, unless otherwise clearly indicated to the contrary.

Section 2. Appointment of the Manager. To the fullest extent permitted by Delaware law, the Exchange Act, the Securities Act, the NASDAQ Rules and any other applicable rule or regulation (including the rules and regulations promulgated under the Exchange Act and the Securities Act), the Company hereby appoints the Manager (and grants to it all powers necessary, convenient or appropriate) to, and the Manager hereby agrees and covenants that it shall manage the Company's day-to-day business and operations, and oversee the Company's strategy, in accordance with the terms of this Agreement.

Section 3. Obligations of the Manager.

(a) Subject to Section 2, the Manager shall use commercially reasonable efforts to perform (or cause to be performed) the following services (the "Services"):

(i) establishing and monitoring the Company's objectives, financing activities and operating performance;

(ii) selecting and overseeing the Company's management team and their performance;

(iii) reviewing and approving the Company's compensation and benefit plans, programs, policies and agreements, including with respect to any grants of equity awards to Persons providing services to the Company and its Affiliates;

(iv) devising and implementing capital allocation strategies, plans and policies of the Company;

(v) setting the budget parameters and expense guidelines of the Company and monitoring compliance therewith;

(vi) identifying and analyzing business opportunities and potential acquisitions, dispositions and other business combinations;

(vii) originating, recommending opportunities to form or acquire and assisting with the structuring and managing of any joint ventures;

(viii) overseeing negotiations with potential participants in any business opportunity under the Company's consideration and having discretion to determine (or delegate to any officer of the Company or its Subsidiaries the decision to determine) if and when to proceed;

(ix) engaging and supervising, on the Company's behalf, independent contractors and third-party service providers;

(x) communicating on behalf of the Company and its Subsidiaries with the holders of any securities of the Company or its Subsidiaries (A) as required to satisfy any reporting and other requirements of any Governmental Authority having jurisdiction over the Company or its Subsidiaries and (B) to maintain effective relations with such holders;

(xi) overseeing all claims, disputes or controversies (including all litigation, arbitration, settlement or other proceedings or negotiations) in which the Company may be involved or to which the Company may be subject arising out of the Company's day-to-day activities (other than with the Manager or its Affiliates);

(xii) counselling the Company in connection with decisions required by Delaware law to be made by the Board; and

(xiii) performing such other services from time to time in connection with the management of the business and affairs of the Company and its activities as the Company shall reasonably request and/or the Manager shall deem appropriate under the particular circumstances.

(b) From the Effective Date until the termination of this Agreement, if any, in accordance with Section 11, the Company, on behalf of itself and its Subsidiaries, hereby constitutes, appoints and authorizes the Manager, and any officer of the Manager acting on its behalf from time to time, as the true and lawful agent and attorney-in-fact of the Company and such Subsidiaries, in its or their respective names, places and steads, to negotiate, execute, deliver and enter into any certificates, instruments, agreements, authorizations and other documentation in the name and on behalf of the Company or any such Subsidiary as the Manager, in its sole discretion, deems necessary or appropriate to perform the Services, in each case subject to subject to Section 2. This power of attorney is deemed to be coupled with an interest. In performing the Services, as an agent of the Company or any of its Subsidiaries, the Manager shall have the right to exercise all powers and authority which are reasonably necessary and customary to perform its obligations under this Agreement.

(c) The Manager may retain, for and on behalf, and at the sole cost and expense, of the Company, such services of the Persons as the Manager deems necessary or advisable to perform the Services (which Persons may include Affiliates of the Manager), in each case, subject to Section 2; *provided* that any such services may be provided by such Affiliates only to the extent such services are on arm's length terms. In performing or causing to be performed the Services, the Manager shall be entitled to rely reasonably on qualified experts and professionals (including, accountants, legal counsel and other professional service providers) hired by the Manager.

(d) At the Company's reasonable request, the Manager shall prepare, or, at the sole cost and expense of the Company, cause to be prepared, (i) reports and other information on the Company's operations and (ii) other information relating to any proposed or consummated business acquisition or divestiture.

(e) At all times during the term of this Agreement, the Manager shall maintain "errors and omissions" insurance coverage and other insurance coverage that is customarily carried by managers performing functions similar to those of the Manager under this Agreement with respect to assets similar to the assets of the Company and its Subsidiaries.

(f) Officers, employees and agents of the Manager and its Affiliates may serve as directors, officers, employees, agents, nominees or signatories for the Company or any of its Subsidiaries. When executing documents or otherwise acting in such capacities for the Company or any of its Subsidiaries, such Persons shall indicate in what capacity they are executing on behalf of the Company or any of its Subsidiaries.

(g) The Manager shall refrain from any action that, in its sole judgment made in good faith, would materially violate any law, rule or regulation of any Governmental Authority having jurisdiction over the Company and its Subsidiaries. Notwithstanding the foregoing, neither the Manager nor any of its Affiliates shall be liable to the Company, any of its Subsidiaries or any of their respective Affiliates or equityholders for any act or omission by the Manager or any of its Affiliates, except as provided in Section 9.

(h) For the avoidance of doubt, and not withstanding anything to the contrary in this Agreement, the entry by the Company and the Manager into this Agreement and the performance of their respective obligations hereunder shall not affect the authority, duties or responsibilities of the executive officers of the Company, including the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer.

Section 4. Obligations of the Company.

(a) The Company agrees to take all actions reasonably required to permit and enable the Manager to carry out its duties and obligations under this Agreement, including, all steps reasonably necessary to allow the Manager, subject to Section 2, to make any filing required to be made under the Securities Act, Exchange Act, the NASDAQ Rules or other applicable law, rule or regulation on behalf of the Company in a timely manner.

(b) The Company further agrees to use commercially reasonable efforts to make available to the Manager all resources, information and materials reasonably requested by the Manager to enable the Manager to satisfy its obligations hereunder, including its obligations to deliver financial statements and any other information or reports with respect to the Company.

(c) The Company hereby acknowledges and agrees that the Manager may use the name "CompoSecure" and other trademarks of the Company in connection with its activities under this Agreement (including, in connection with the preparation of any filing with or notification to any Governmental Authority made on behalf of the Company or any of its Subsidiaries). The parties hereto will reasonably cooperate to maintain reasonable quality control with respect to the Manager's use of such trademarks.

Section 5. Additional Activities of the Manager; Non-Solicitation.

(a) Nothing in this Agreement shall (i) prevent the Manager or any of its Affiliates, or any of its or their officers, directors or employees, from engaging in other businesses or from rendering services of any kind to any other Person, whether or not the business objectives or policies of any such other Person are similar to those of the Company, (ii) in any way bind or restrict the Manager or any of its Affiliates, or any of its or their officers, directors or employees from buying, selling or trading any securities or commodities for their own accounts or for the account of others for whom the Manager or any of its Affiliates, or any of its or their officers, directors or employees may be acting, or (iii) prevent the Manager or any of its Affiliates from receiving fees or other compensation or profits from such activities described in this Section 5(a) which shall be for the Manager's (and/or its Affiliates') sole benefit.

(b) In the event of a Termination Without a Company Kick-Out Event by the Company pursuant to Section 11(b), for a period of two (2) years following such termination, the Company shall not, without the consent of the Manager, employ or otherwise retain any employee of the Manager or any of its Affiliates or any Person who has been employed by the Manager or any of its Affiliates at any time within the two (2)-year period immediately preceding the date on which such Person commences employment with or is otherwise retained by the Company (any such Person, a "Covered Person"); *provided* that the preceding sentence shall not restrict the Company from employing or retaining any Covered Person who devotes substantially all of such Covered Person's business time and attention to the Company's Business, other than with respect to acquisitions, dispositions and other business combinations, joint ventures or other investments of the Company or any of its Subsidiaries. The Company acknowledges and agrees that, in addition to any damages, the Manager may be entitled to equitable relief for any violation of this Section 5(b) by the Company, including, injunctive relief.

Section 6. Records; Confidentiality.

(a) The Manager shall maintain appropriate books of account, records and files relating to services performed hereunder, and such books of account, records and files shall be accessible for inspection by representatives of the Company at any time during normal business hours upon advance written notice. The Manager shall have full responsibility for the maintenance, care and safekeeping of all such books of account, records and files (it being understood that if any such recordkeeping services are performed by service providers to the Company and such service providers are monitored by the Manager with due care, the Manager shall be in compliance with the foregoing).

(b) Until the third (3rd) anniversary of any termination of this Agreement pursuant to Section 11 (or in the case of trade secrets, for so long as such trade secrets constitute trade secrets under applicable law), the Manager shall keep confidential any and all Confidential Information and shall not use Confidential Information other than in connection with the performance of the Services or disclose Confidential Information, in whole or in part, to any Person other than (i) to officers, directors, employees, agents, representatives, advisors of the Manager or its Affiliates who need to know such Confidential Information for the purpose of rendering services hereunder, (ii) to appraisers, lenders or other financing sources, co-originators, custodians, administrators, brokers, commercial counterparties or any similar entity and others in the ordinary course of the Company's Business ((i) and (ii) collectively, "Manager Permitted Disclosure Parties"), (iii) in connection with any governmental or regulatory filings of the Company or its Affiliates or disclosure or presentations to investors in the Company's Business (subject to compliance with applicable law), (iv) to Governmental Authorities having jurisdiction over the Company or the Manager, (v) as requested by law, legal process or regulatory request to which the Manager or any Person to whom disclosure is permitted hereunder is a party or subject, (vi) to existing or prospective investors in the Company's Business and their advisors to the extent such Persons reasonably request such information, subject to an undertaking of confidentiality, non-disclosure and non-use, or (vii) with the consent of the Company, including pursuant to a separate agreement entered into between the Manager and the Company. The Manager agrees to inform each of its Manager Permitted Disclosure Parties of the non-public nature of the Confidential Information. Nothing herein shall prevent the Manager from disclosing Confidential Information (A) upon the order of any court or administrative agency, (B) upon the request or demand of, or pursuant to any law or regulation to, any regulatory agency or authority, (C) to the extent reasonably required in connection with the exercise of any remedy hereunder, or (D) to its legal counsel or independent auditors; *provided*, *however*, that with respect to clauses (A) and (B), it is agreed that, so long as not legally prohibited, the Manager will (x) consider, and if advisable seek, at the Company's sole expense, an appropriate protective order or confidentiality agreement, (y) notify the Company of such disclosure, and (z) in the absence of an appropriate protective order or confidentiality agreement, disclose only that portion of such information that is responsive to such request or demand.

Section 7. Compensation.

(a) For the Services rendered, the Company shall pay the Quarterly Management Fees to the Manager. The Manager will not receive any Quarterly Management Fees for periods prior to the Effective Date. The Manager may (at its sole discretion) elect not to receive, or to discount, any Quarterly Management Fee for a given quarterly period, which election shall not be deemed to constitute a waiver or discount of the Quarterly Management Fee in any future periods and shall, for the avoidance of doubt, be ignored in calculating the Termination Fee (and the components thereof).

(b) The parties hereto acknowledge that the Quarterly Management Fee is intended in part to compensate the Manager and its Affiliates for the costs and expenses (other than reimbursable costs and expenses) the Manager will incur hereunder, as well as certain expenses not otherwise reimbursable under Section 8, in order for the Manager to provide the Services to the Company. A management fee paid by the Manager under a sub-management agreement (if any) shall not constitute an expense reimbursable by the Company under this Agreement or otherwise unless otherwise approved by the Company.

(c) Each Quarterly Management Fee shall be payable in arrears in cash, commencing with the fiscal quarter in which the Effective Date occurs. If applicable, the initial and final Quarterly Management Fees shall be *pro-rated* based on the number of days during the initial and final fiscal quarter, respectively, that this Agreement is in effect. The Manager shall calculate each Quarterly Management Fee, and deliver such calculation to the Company, within thirty (30) days following the last day of each fiscal quarter and the Company shall pay the Manager the applicable Quarterly Management Fee for such fiscal quarter within three (3) Business Days after the date of delivery to the Company of such computations.

(d) The Company shall make any payments due hereunder to the Manager or, if the Manager directs, to an Affiliate of the Manager.

Section 8. Expenses.

(a) Subject to Section 8(b) and except as otherwise specifically acknowledged and agreed in writing, the Manager shall be responsible for the expenses related to any and all personnel of the Manager and its Affiliates who provide services to the Company pursuant to this Agreement or otherwise (including, each of the officers of the Company and any directors of the Company who are also directors, officers or employees of the Manager or any of its Affiliates), including, salaries, bonuses and other wages, payroll taxes and the cost of employee benefit plans of such personnel, and costs of insurance (other than insurance specifically required under this Agreement, including pursuant to Section 3(e)) with respect to such personnel (collectively, "Manager Expenses").

(b) The Company shall pay all of its costs and expenses and shall reimburse the Manager or its Affiliates for documented costs and expenses of the Manager and its Affiliates incurred on behalf of the Company other than Manager Expenses (collectively, "Company Expenses"). The Manager, in good faith, shall determine whether a cost or expense is a Manager Expense or Company Expense. Without limiting the generality of the foregoing, it is specifically agreed that the following costs and expenses shall be paid by the Company and shall not be paid by the Manager or its Affiliates: (i) fees, costs and expenses in connection with transaction costs incident to the acquisition, negotiation, structuring, trading, settling, disposition and financing of any investments of the Company and its Subsidiaries (whether or not consummated); (ii) fees, costs and expenses of legal, tax, accounting, consulting, auditing (including internal audit), finance, administrative, investment banking, capital market and other similar services rendered to the Company or any of its Subsidiaries (including, where the context requires, through one or more third-parties and/or Affiliates of the Manager) or, if provided by the Manager's personnel, in accordance with Section 3(c); (iii) the compensation and expenses of the directors and officers of the Company and its Subsidiaries, as applicable, the cost of liability insurance to indemnify such directors and officers and the non-cash equity incentive compensation (that is denominated in, or the value of which is determined with reference to, shares of capital stock of Parent) of the personnel of the Company and its Subsidiaries, the Manager and their respective Affiliates who provide services to the Company and its Affiliates; (iv) interest and fees and expenses arising out of borrowings made by the Company or any of its Subsidiaries, including, costs associated with the establishment and maintenance of any credit facilities, other financing arrangements, or other indebtedness of the Company or any of its Subsidiaries (including commitment fees, accounting fees, legal fees, closing and other similar costs) or any securities offerings of the Company or any of its Subsidiaries; (v) expenses connected with communications to holders of securities of the Company or any of its Subsidiaries and other bookkeeping and clerical work necessary in maintaining relations with holders of such securities and in complying with the continuous reporting and other requirements of any Governmental Authorities having jurisdiction over the Company or any of its Subsidiaries, including, all costs of preparing and filing required reports with the SEC, the costs payable by the Company or any of its Subsidiaries to any transfer agent and registrar in connection with the listing and/or trading of the securities of the Company or any of its Subsidiaries on any exchange, the fees payable by the Company or any of its Subsidiaries to any such exchange in connection with its listing, costs of preparing, printing and mailing any other reports or related statements of the Company or any of its Subsidiaries; (vi) costs of the Company or any of its Subsidiaries associated with technology-related expenses, including without limitation, any computer software or hardware, electronic equipment or purchased information technology services from third-party vendors or Affiliates of the Manager, technology service providers and related software/hardware utilized in connection with the investment and operational activities of the Company and its Subsidiaries; (vii) expenses incurred by managers, officers, personnel and agents of the Manager for travel on behalf of the Company or any of its Subsidiaries and other Out-of-Pocket Expenses incurred by them in connection with the Services or the acquisition, financing, refinancing, sale or other disposition of an investment or any securities offerings of the Company or any of its Subsidiaries; (viii) expenses incurred with respect to market information systems and publications, research publications and materials, including, news research and quotation equipment and services, obtained or used by the Manager in connection with rendering the Services or performing any other duty hereunder; (ix) the costs and expenses relating to ongoing regulatory compliance matters and regulatory reporting obligations relating to the Company's Business; (x) the costs of any litigation involving the Company or any of its Subsidiaries or its or their respective assets and the amount of any judgments or settlements paid in connection therewith, (xi) all taxes and license fees of the Company and its Subsidiaries; (xii) all costs of directors and officers, liability or other insurance relating to the Company's Business and other insurance costs incurred in connection with the operation of the Company's Business, except for the costs attributable to the insurance that the Manager elects to carry for itself and its personnel, and all indemnification or extraordinary expense or liability relating to the Company's Business; (xiii) costs and expenses incurred in contracting with any third-parties, in whole or in part, on behalf of the Company or any of its Subsidiaries; (xiv) all other costs and expenses relating to the Company's Business and operations, including, the costs and expenses of acquiring, owning, protecting, maintaining, developing and disposing of businesses, including appraisal, reporting, audit and legal fees; (xv) expenses relating to any office(s) or office facilities, including, disaster backup recovery sites and facilities, maintained for the Company, any of its Subsidiaries or any investments of the Company and its Subsidiaries separate from the office or offices of the Manager; (xvi) expenses connected with the payments of interest, dividends or distributions in cash or any other form authorized or caused to be made to or on account of holders of securities of the Company or any of its the Subsidiaries, including, in connection with any dividend reinvestment plan; (xvii) any judgment or settlement of pending or threatened proceedings (whether civil, criminal or otherwise) against the Company or any of its Subsidiaries, or against any trustee, director, partner, member or officer of the Company or any of its Subsidiaries in such Person's capacity as such for which the Company or any of its Subsidiaries is required to indemnify such trustee, director, partner, member or officer by any Governmental Authority; and (xviii) all other expenses actually incurred by the Manager (except as otherwise specifically excluded herein) which are reasonably necessary for the performance by the Manager of its duties and functions under this Agreement.

(c) The Manager may, at its option, elect not to seek reimbursement for certain expenses during a given quarterly period, which determination shall not be deemed to construe a waiver of reimbursement for the same type of expenses or similar expenses in future periods if such expenses or similar expenses are incurred in future periods.

(d) The provisions of this Section 8 shall survive any termination of this Agreement pursuant to Section 11 to the extent such expenses have previously been incurred or are incurred in connection with such termination.

Section 9. Limits of the Manager's Responsibility; Indemnification.

(a) The Manager assumes no responsibility under this Agreement other than to render the Services in good faith in accordance with this Agreement. To the fullest extent permitted by Delaware law, the Manager and its Affiliates, including their respective directors, officers, employees, managers, trustees, control persons, partners, stockholders and equityholders, will not be liable to the Company, any of its Subsidiaries or any of their respective Affiliates or equityholders, for any acts or omissions by the Manager or its officers, employees or Affiliates performed in accordance with, pursuant to, or in furtherance of, this Agreement, whether by or through attempted piercing of the corporate veil, by or through a claim, by the enforcement of any judgment or assessment or by any legal or equitable proceeding (including any threatened or ongoing investigative, administrative, judicial or regulatory action or proceeding), or by virtue of any statute, regulation or other applicable law, or otherwise (together, "Actions"), except by reason of acts or omission constituting bad faith, fraud, willful misconduct, gross negligence or reckless disregard of their respective duties under this Agreement. The Company shall, to the fullest extent permitted by Delaware law, reimburse, indemnify and hold harmless the Manager, its Affiliates, and the directors, officers, employees and stockholders of the Manager and its Affiliates including their respective directors, officers, employees, managers, trustees, control persons, partners, stockholders and equityholders (each, a "Manager Indemnified Party"), (i) of and from any and all Losses in respect of or arising from any acts or omissions of such Manager Indemnified Party performed in good faith in accordance with, pursuant to, or in furtherance of, this Agreement and not constituting bad faith, fraud, willful misconduct, gross negligence or reckless disregard of duties of such Manager Indemnified Party under this Agreement and (ii) of and from any Out-of-Pocket Expenses incurred in connection with investigating, preparing or defending any Actions as such expenses are incurred or paid (provided that if it is ultimately finally judicially determined in a court of competent jurisdiction that such Manager Indemnified Party is not entitled to indemnification hereunder, such Manager Indemnified Party shall reimburse the Company for any Out-of-Pocket Expenses already paid or reimbursed by the Company in respect of which such final judicial determination was made). Notwithstanding the above, the Manager will not be liable for trade errors that may result from ordinary negligence, errors in the investment decision making process and/or in the trade process.

(b) The Manager shall, to the fullest extent permitted by Delaware law, reimburse, indemnify and hold harmless the Company, its Subsidiaries and the directors, officers and employees of the Company and its Subsidiaries, as applicable (each, a "Company Indemnified Party", a Manager Indemnified Party and a Company Indemnified Party are each sometimes hereinafter referred to as an "Indemnified Party") of and from any and all Losses in respect of or arising from (i) any acts or omissions of the Manager constituting bad faith, fraud, willful misconduct, gross negligence or reckless disregard of duties of the Manager under this Agreement or (ii) any claims by the Manager's or its Affiliate's employees relating to the terms and conditions of their employment by the Manager or its Affiliate.

(c) In case any such claim, suit, action, investigation or proceeding (a "Claim") is brought against any Indemnified Party in respect of which indemnification may be sought by such Indemnified Party pursuant hereto, the Indemnified Party shall give prompt written notice thereof to the indemnifying party, which notice shall include all documents and information in the possession of or under the control of such Indemnified Party reasonably necessary for the evaluation and/or defense of such Claim and shall specifically state that indemnification for such Claim is being sought under this Section 9; *provided*, *however*, that the failure of the Indemnified Party to so notify the indemnifying party shall not limit or affect such Indemnified Party's rights other than pursuant to this Section 9 unless the failure to provide such notice results in material prejudice to the indemnifying party. Upon receipt of such notice of Claim (together with such documents and information from such Indemnified Party), the indemnifying party shall, at its sole cost and expense, in good faith control and defend any such Claim (including any settlement thereof) with counsel reasonably satisfactory to such Indemnified Party, which counsel may, without limiting the rights of such Indemnified Party pursuant to the next succeeding sentence of this Section 9(c), also represent the indemnifying party in such Claim. In the alternative, such Indemnified Party may elect to conduct the defense of the Claim, if (i) such Indemnified Party reasonably determines that the conduct of its defense by the indemnifying party could be materially prejudicial to its interests, (ii) the indemnifying party refuses to assume such defense (or fails to give written notice to the Indemnified Party within ten (10) days of receipt of a notice of Claim that the indemnifying party assumes such defense), or (iii) the indemnifying party shall have failed, in such Indemnified Party's reasonable judgment, to defend the Claim in good faith. The indemnifying party may settle any Claim against such Indemnified Party; *provided* that (A) such settlement is without any Losses (including equitable relief) whatsoever to such Indemnified Party, (B) the settlement does not include or require any admission of liability or culpability by such Indemnified Party and (C) the indemnifying party obtains an effective written release of liability for such Indemnified Party from the party to the Claim with whom such settlement is being made, which release must be reasonably acceptable to such Indemnified Party, and a dismissal with prejudice with respect to all claims made by the party against such Indemnified Party in connection with such Claim. Subject to the immediately prior sentence, the applicable Indemnified Party shall reasonably cooperate with the indemnifying party, at the indemnifying party's sole cost and expense, in connection with the defense or settlement of any Claim in accordance with the terms hereof. If such Indemnified Party is entitled pursuant to this Section 9 to elect to defend such Claim by counsel of its own choosing and so elects, then the indemnifying party shall be responsible for any good faith settlement of such Claim entered into by such Indemnified Party. Except as provided in the immediately preceding sentence, no Indemnified Party may pay or settle any Claim and seek reimbursement therefor under this Section 9.

(d) Any Indemnified Party entitled to indemnification hereunder shall first seek recovery from any other indemnity then available with respect to portfolio entities and/or any applicable insurance policies by which such Indemnified Party is indemnified or covered prior to seeking recovery hereunder and shall obtain the written consent of the Company or the Manager (as applicable) prior to entering into any compromise or settlement which would result in an obligation of the Company or the Manager (as applicable) to indemnify such Indemnified Party. If such Indemnified Party shall actually recover any amounts under any applicable insurance policies or other indemnity then available, it shall offset the net proceeds so received against any amounts owed by the Company or the Manager (as applicable) by reason of the indemnity provided hereunder or, if all such amounts shall have been paid by the Company or the Manager (as applicable) in full prior to the actual receipt of such net insurance proceeds, it shall pay over such proceeds (up to the amount of indemnification paid by the Company or the Manager (as applicable) to such Indemnified Party) to the Company or the Manager (as applicable). If the amounts in respect of which indemnification is sought arise out of the conduct of the business and affairs of the Company or the Manager and also of any other Person or entity for which the Indemnified Party hereunder was then acting in a similar capacity, the amount of the indemnification to be provided by the Company or the Manager (as applicable) may be limited to the Company's or the Manager's (as applicable) allocable share thereof if so determined by the Company or Manager (as applicable) in good faith.

(e) The provisions of this Section 9 shall survive any termination of this Agreement pursuant to Section 11.

Section 10. No Joint Venture. The Company and the Manager are not partners or joint venturers with each other and nothing herein shall be construed to make them such partners or joint venturers or impose any liability as such on either of them.

Section 11. Term; Renewal; Termination.

(a) *Term; Renewal.* This Agreement became effective on the Effective Date and shall continue in operation, unless terminated in accordance with the terms hereof, until the tenth (10th) anniversary of the Effective Date (the "Initial Term"). Following the Initial Term, this Agreement shall be deemed renewed automatically for successive and additional ten (10)-year period(s) (each, an "Automatic Renewal Term") unless the Company or the Manager elects to terminate or not renew this Agreement in accordance with Section 11(b), Section 11(c) or Section 11(d), as applicable. For the avoidance of doubt, during the Initial Term and each Automatic Renewal Term, the Company shall have the Company Kick-Out Right.

(b) *Termination by the Company Without a Company Kick-Out Event*. Notwithstanding any other provision of this Agreement to the contrary, upon (x) the expiration of the Initial Term or an Automatic Renewal Term, as applicable, and (y) one hundred eighty (180) days' prior written notice to the Manager (the "Company Termination Notice"), the Company may, without the occurrence of a Company Kick-Out Event, decline to renew this Agreement upon a two-thirds (2/3) vote of the Independent Directors (who have not recused themselves with respect to such vote) that the Quarterly Management Fees payable to the Manager are not fair, subject to clauses (i)-(iv) below (any such nonrenewal, a "Termination Without a Company Kick-Out Event"). The Company Termination Notice shall include reasonable supporting detail for the Independent Directors' determination that the Quarterly Management Fees payable to the Manager are not fair.

(i) No later than five (5) Business Days following the receipt by the Manager of the Company Termination Notice, the management teams of the Company and the Manager shall engage in good faith discussions and negotiations to resolve the Independent Directors' concerns that the Quarterly Management Fees are not fair for a period of sixty (60) days (the "Consultation Period").

(ii) If, at the end of the Consultation Period, the Company and the Manager have been unable to resolve such concerns, then the Company and the Manager shall attempt in good faith to retain as soon as reasonably practicable (but in no event later than ten (10) Business Days after the expiration of the Consultation Period) an agreed upon impartial professional mediator who is a partner or a retired partner, in each case, in a law firm of national standing based in New York City with experience in investment management (any such Person, a "Mediator") for a nonbinding mediation of such dispute (such process, a "Mediation"); *provided* that if the Company and the Manager cannot agree on a Mediator within such ten (10)-Business Day period, or if the Mediator agreed upon by the Company and the Manager does not accept being retained for the Mediation, then within an additional ten (10) Business Days, the Company and the Manager shall each select one (1) Mediator and those two (2) Mediators shall, within ten (10) Business Days after their selection, select a third (3rd) Mediator. The Mediation shall be conducted by the Mediator selected in accordance with the preceding sentence on a strictly confidential basis, and no participant shall disclose the existence, nature, any documents, exhibits or information exchanged or presented, in connection with such Mediation, or the result of the Mediation, to any third-party, with the sole exceptions of its legal counsel and/or tax advisor, all of whom shall be bound by these confidentiality terms. The Company and the Manager agree to take all steps necessary to protect the confidentiality of the materials in respect of the Mediation, agree to file (and, if so required by applicable court rules, seek leave to file) confidential information (and documents containing confidential information) under seal, and agree to the entry of an appropriate protective order encompassing the confidentiality terms contained herein.

(iii) In the event that the Company and the Manager are able to resolve such concerns pursuant to Section 11(b)(i) or Section 11(b)(ii) prior to the Effective Termination Date, then the Termination Fee that became payable upon the Manager's receipt of the Company Termination Notice delivered by the Company pursuant to Section 11(b) shall no longer be payable, (B) such Company Termination Notice shall be deemed to be of no force and effect, (C) the Company and the Manager shall as promptly as practicable (and in no event later than five (5) Business Days following the resolution of such concerns) execute and deliver an amendment to this Agreement setting forth the revised Quarterly Management Fee as then agreed upon by the Company and the Manager and (D) this Agreement, as so amended, shall continue in full force and effect on the terms stated herein and in such amendment.

(iv) In the event that the Company and the Manager are unable to reach an understanding with respect to the Quarterly Management Fee, the Agreement shall be deemed terminated and the Company shall pay to the Manager the Termination Fee in accordance with Section 11(f).

(c) *Termination by the Company Upon a Company Kick-Out Event.* The Company may terminate this Agreement effective upon thirty (30) days' prior written notice of termination from the Company to the Manager, without payment of the Termination Fee, upon the occurrence of a Company Kick-Out Event.

(d) *Termination by the Manager*. The Manager shall have the following rights to terminate this Agreement:

(i) No later than one hundred eighty (180) days prior to the expiration of the Initial Term or the then current Automatic Renewal Term, the Manager may deliver written notice to the Company informing it of the Manager's intention to decline to renew this Agreement, whereupon this Agreement shall not be renewed and extended and this Agreement shall terminate effective on the expiration of the then-current term. The Company shall not be required to pay to the Manager the Termination Fee if the Manager terminates this Agreement pursuant to this Section 11(d)(i).

(ii) The Manager may terminate this Agreement effective upon sixty (60) days' prior written notice of termination to the Company (any such notice, a "Manager Termination Notice") (A) in the event that the Company shall default in the performance or observance of any material term, condition or covenant contained in this Agreement and such default shall continue for a period of thirty (30) days after written notice thereof specifying such default and requesting that the same be remedied in such thirty (30) day period or (B) upon the termination of the Letter Agreement, prior to any nonrenewal or termination of this Agreement. The Company shall be required to pay to the Manager the Termination Fee in accordance with Section 11(f) if the Manager terminates this Agreement pursuant to clause (A) or (B) above.

(iii) The Manager may terminate this Agreement if the Company becomes required to register as an investment company under the Investment Company Act, with such termination deemed to occur immediately before such event, in which case the Company shall not be required to pay to Manager the Termination Fee.

(e) *Determination of the Termination Fee.* If a Termination Fee becomes payable by the Company to the Manager upon a termination of this Agreement pursuant to Section 11(b), Section 11(d)(ii)(A) or Section 11(d)(ii)(B), the Termination Fee shall be finally determined as follows:

(i) If the Company and the Manager agree on the Termination Fee within thirty (30) days following receipt (A) by the Manager of a Company Termination Notice delivered by the Company pursuant to Section 11(b) or (B) by the Company of a Manager Termination Notice delivered by the Manager pursuant to Section 11(d)(ii)(A) or Section 11(d)(ii)(B) (the "Termination Fee Negotiation Period"), then the finally determined Termination Fee shall be the amount agreed in writing by the Company and the Manager.

(ii) If the Company and the Manager do not agree on the Termination Fee prior to the expiration of the Termination Fee Negotiation Period, then, as soon as reasonably practicable (but in no event later than ten (10) Business Days after the expiration of the Termination Fee Negotiation Period), the Manager shall retain an internationally recognized top-tier investment bank (the "Manager-Selected Valuation Firm") and the Company shall retain a different internationally recognized top-tier investment bank (the "Company-Selected Valuation Firm"), in each case, to deliver to the Manager and the Company, within thirty (30) days following the tenth (10^{th}) Business Day after the expiration of the Termination Fee Negotiation Period (the "Initial Valuation Firm Review Period"), a report setting forth in reasonable detail such Valuation Firm's good faith determination of (A) the Fair Market Value of Fees Payable, (B) the Net Present Value of Fees Payable, (C) the Multiple on Fees Payable and (D) the Termination Fee. If the Termination Fee determined by the Manager-Selected Valuation Firm and the Termination Fee determined by the Company-Selected Valuation Firm are within ten percent (10%) of each other, then the finally determined Termination Fee shall be the average of such Termination Fees determined by the Manager-Selected Valuation Firm and the Company-Selected Valuation Firm.

(iii) If the Termination Fees determined by the Manager-Selected Valuation Firm and the Company-Selected Valuation Firm are not within ten percent (10%) of each other, then:

(A) as soon as reasonably practicable (but in no event later than ten (10) Business Days after the expiration of the Initial Valuation Firm Review Period, the Manager-Selected Valuation Firm and the Company-Selected Valuation Firm shall select a third (3^{rd}) internationally recognized top-tier investment bank (the "Investment Bank-Selected Valuation Firm", together with the Manager-Selected Valuation Firm and the Company-Selected Valuation Firm, the "Valuation Firms") to deliver to the Manager and the Company, within thirty (30) days following the tenth (10^{th}) Business Day after the expiration of the Initial Valuation Firm Review Period, a report setting forth in reasonable detail such Valuation Firm's good faith determination of (1) the Fair Market Value of Fees Payable, (2) the Net Present Value of Fees Payable, (3) the Multiple on Fees Payable and (4) the Termination Fee; and

(B) the finally determined Termination Fee shall be the average of the Termination Fee determined by the Investment Bank-Selected Valuation Firm and whichever Termination Fee determined by the Manager-Selected Valuation Firm or the Company-Selected Valuation Firm is closer in value to the Termination Fee determined by the Investment Bank-Selected Valuation Firm.

(iv) In preparing their respective reports, each Valuation Firm shall (A) determine the Termination Fee and components thereof in accordance with the terms of this Agreement, (B) be provided with the same access to the Company's and the Manager's respective management teams and the same source documents and information regarding the Company and the Manager and (C) take into account all factors such Valuation Firm determines relevant to such determination, including the Company's historical financial and operating results, the Company's future business prospects and projected financial and operating results and public and private market and industry conditions. Each such report prepared shall set forth a single point determination (and not a range of values) of the Termination Fee.

(v) The Manager shall bear the fees and expenses of the Manager-Selected Valuation Firm. The Company shall bear the fees and expenses of the Company-Selected Valuation Firm. The fees and expenses of the Investment Bank-Selected Valuation Firm shall be borne by the party hereto whose Valuation Firm's determination of the Termination Fee was the furthest from the Termination Fee determined by the Investment-Bank Selected Valuation Firm, or, if the determinations of such other Valuation Firms were equally different from that determined by the Investment Bank-Selected Valuation Firm, then the Investment Bank-Selected Valuation Firm's fees and expenses shall be borne equally by the Manager and the Company.

(f) *Payment of the Termination Fee*. Within five (5) Business Days of the determination of the Termination Fee pursuant to Section 11(e), the Company shall pay to the Manager the Termination Fee, in cash, by wire transfer of immediately available funds, to one (1) or more accounts designated in writing by the Manager. Notwithstanding anything to the contrary in this Agreement, at the option of the Company, by action of a two-thirds (2/3) vote of the Independent Directors (who have not recused themselves with respect to such vote) and upon written notice to the Manager no later than two (2) Business Days after the determination of the Termination Fee pursuant to Section 11(e), the Company's obligation to pay the Termination Fee pursuant to this Section 11(f) may be satisfied by (i) the issuance to the Manager of an aggregate number of shares of Class A Common Stock equal to (A) all or any portion of the Termination Fee *divided by* (B) the Parent Trading Price (such shares, collectively, the "Termination Shares") and (ii) to the extent the Termination Fee exceeds the Termination Shares Value, the payment by the Company to the Manager of an amount equal to such excess, in cash, by wire transfer of immediately available funds, to one (1) or more accounts designated in writing by the Manager (such amount, the "Termination Make-Whole Cash Payment"); *provided* that any Termination Shares shall be issued and any Termination Make-Whole Cash Payment shall be paid to the Manager within five (5) Business Days of the determination of the Termination Fee pursuant to Section 11(e). For the avoidance of doubt, any issuance of Termination Shares pursuant to this Section 11(f) shall be in accordance with applicable laws and stock exchange regulations.

(g) *No Liability.* Except as expressly provided in Section 5(b), Section 6(b), Section 8 and Section 9 and the Termination Fee that shall become payable by the Company to the Manager upon any termination pursuant to Section 11(b), Section 11(d)(ii)(A) or Section 11(d)(ii)(B), a termination of this Agreement pursuant to this Section 11 shall be without any further liability or obligation of either party hereto to the other party hereto.

(h) *Cooperation.* Following a termination of this Agreement pursuant to this Section 11, the Manager shall cooperate, at the Company's request and expense, with the Company in executing an orderly transition of the management of the Company.

Section 12. Assignments.

(a) *Assignments by the Manager*. This Agreement may not be assigned by the Manager without the consent of the Company, which consent shall be contingent on the affirmative vote of a majority of the Company's Independent Directors. Notwithstanding the foregoing, the Manager may, at any time without the approval of the Company and without the approval of the Company's Independent Directors, (i) assign this Agreement to one or more Affiliates of the Manager and (ii) delegate to one or more of its Affiliates, including sub-managers where applicable, the performance of any of its responsibilities hereunder so long as it remains liable for any such Affiliates' performance. Any such permitted assignment shall bind the assignee under this Agreement in the same manner as the Manager is bound, and the Manager shall be liable to the Company for all acts or omissions of the assignee under any such assignment. In addition, the assignee shall execute and deliver to the Company a counterpart of this Agreement naming such assignee as the Manager. Nothing contained in this Agreement shall preclude any pledge, hypothecation or other transfer of any amounts payable to the Manager under this Agreement.

(b) *Assignments by the Company*. This Agreement shall not be assigned by the Company without the prior written consent of the Manager.

Section 13. Action Upon Termination. Notwithstanding anything to contrary contained herein, from and after any Effective Termination Date, the Manager shall not be entitled to compensation for further Services hereunder, but shall be paid all compensation accruing to such Effective Termination Date and, upon a termination of this Agreement pursuant to Section 11(b), Section 11(d)(ii)(A) or Section 11(d)(ii)(B), the Termination Fee.

Section 14. Representations and Warranties.

(a) The Company hereby represents and warrants to the Manager as follows:

(i) The Company is duly organized, validly existing and in good standing under the laws of the State of Delaware, has the limited liability company power and authority and the legal right to own and operate its assets, to lease any property it may operate as lessee and to conduct the business in which it is now engaged and is duly qualified as a foreign limited liability company and is in good standing under the laws of each jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, except for failures to be so qualified, authorized or licensed that could not in the aggregate have a material adverse effect on the business operations, assets or financial condition of the Company and its Subsidiaries, if any, taken as a whole.

(ii) The Company has the limited liability company power and authority and the legal right to make, deliver and perform this Agreement and all obligations required hereunder and has taken all necessary limited liability company action to authorize this Agreement on the terms and conditions hereof and the execution, delivery and performance of this Agreement and all obligations required hereunder. No consent of any other Person that has not already been obtained, including stockholders and creditors of the Company, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any Governmental Authority is required by the Company in connection with this Agreement or the execution, delivery, performance, validity or enforceability of this Agreement and all obligations required hereunder. This Agreement has been, and each instrument or document required hereunder will be, executed and delivered by a duly authorized officer of the Company, and this Agreement constitutes, and each instrument or document required hereunder when executed and delivered hereunder will constitute, the legally valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(iii) The execution, delivery and performance of this Agreement and the documents or instruments required hereunder will not violate any provision of any existing law or regulation binding on the Company, or any order, judgment, award or decree of any Governmental Authority binding on the Company, or the Governing Agreements of, or any securities issued by the Company or of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which the Company is a party or by which the Company or any of its assets may be bound, the violation of which would have a material adverse effect on the business operations, assets or financial condition of the Company and its Subsidiaries, if any, taken as a whole, and will not result in, or require, the creation or imposition of any lien or any of its property, assets or revenues pursuant to the provisions of any such mortgage, indenture, lease, contract or other agreement, instrument or undertaking.

(b) The Manager hereby represents and warrants to the Company as follows:

(i) The Manager is duly organized, validly existing and in good standing under the laws of the State of Delaware, has the corporate power and authority and the legal right to conduct the business in which it is now engaged and is duly qualified as a foreign corporation and is in good standing under the laws of each jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, except for failures to be so qualified, authorized or licensed that could not in the aggregate have a material adverse effect on the business operations, assets or financial condition of the Manager.

(ii) The Manager has the corporate power and authority and the legal right to make, deliver and perform this Agreement and all obligations required hereunder and has taken all necessary corporate action to authorize this Agreement on the terms and conditions hereof and the execution, delivery and performance of this Agreement and all obligations required hereunder. No consent of any other Person, including stockholders of the Manager, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any Governmental Authority is required by the Manager in connection with this Agreement or the execution, delivery, performance, validity or enforceability of this Agreement and all obligations required hereunder. This Agreement has been, and each instrument or document required hereunder will be, executed and delivered by a duly authorized officer of the Manager, and this Agreement constitutes, and each instrument or document required hereunder when executed and delivered hereunder will constitute, the legally valid and binding obligation of the Manager enforceable against the Manager in accordance with its terms.

(iii) The execution, delivery and performance of this Agreement and the documents or instruments required hereunder will not violate any provision of any existing law or regulation binding on the Manager, or any order, judgment, award or decree of any Governmental Authority binding on the Manager, or the Governing Agreements of, or any securities issued by the Manager or of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which the Manager is a party or by which the Manager or any of its assets may be bound, the violation of which would have a material adverse effect on the business operations, assets or financial condition of the Manager, and will not result in, or require, the creation or imposition of any lien or any of its property, assets or revenues pursuant to the provisions of any such mortgage, indenture, lease, contract or other agreement, instrument or undertaking.

Section 15. Miscellaneous.

(a) *Notices*. Any notices that may or are required to be given hereunder by any party to another shall be deemed to have been duly given if (i) personally delivered or delivered by facsimile, when received, (ii) sent by U.S. Express Mail or recognized overnight courier, on the second (2^{nd}) following Business Day (or third (3^{rd}) following Business Day if mailed outside the United States), (iii) delivered by electronic mail, when received or (iv) posted on a password protected website maintained by the Manager and for which the Company has received access instructions by electronic mail, when posted:

The Company:	CompoSecure Holdings, L.L.C. 309 Pierce Street Somerset, NJ 08873 Attention: General Counsel
The Manager:	Resolute Holdings Management, Inc. 445 Park Avenue, Suite 15F New York, NY 10022 Attention: Chief Executive Officer

(b) *Binding Nature of Agreement; Successors and Assigns; No Third-Party Beneficiaries*. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns as provided herein. Except for Section 5 and Section 9, none of the provisions of this Agreement are intended to be, nor shall they be construed to be, for the benefit of any third-party.

(c) *Integration*. This Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof.

(d) *Additional Agreements*. In the event the Company forms any Subsidiary or acquires any business or any other equity interest (or other interest convertible or exchangeable into an equity interest) in any other Person, following the Effective Date, the Company shall, at the Manager's election, cause any such Subsidiary, business or other Person to enter into a management agreement with the Manager in a form substantially similar to this Agreement (for the avoidance of doubt, there will be no duplication of fees under this Agreement and any such agreement), and, if the Manager so elects shall not make such acquisition in the absence of such a management agreement.

(e) *Amendments*. Neither this Agreement, nor any terms hereof, may be amended, supplemented or modified except in an instrument in writing executed by the parties hereto.

(f) *Governing Law*. Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties hereto expressly agree that all of the terms and provisions hereof shall be governed by and construed under the laws of the State of Delaware.

(g) *Forum; Consent to Service*. To the fullest extent permitted by law, in the event of any proceeding arising out of the terms and conditions of this Agreement, the parties hereto irrevocably (i) consent and submit to the exclusive jurisdiction of the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (unless the Delaware Court of Chancery shall decline jurisdiction over a particular matter, in which case, any state or federal court within the State of Delaware), (ii) waive any defense based on doctrines of venue or *forum non conveniens*, or similar rules or doctrines and, (iii) agree that all claims in respect of such a proceeding must be heard and determined exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (unless the Delaware Court of Chancery shall decline jurisdiction over a particular matter, in which case, any state or federal court within the State of Delaware). Process in any such proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Each of the parties hereto hereby agrees and consents that service of any process, summons, notice, or document pursuant to Section 15(a) shall be effective service of process for any suit or proceeding arising out of the terms and conditions of this Agreement.

(h) *Waiver of Jury Trial*. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

(i) *Survival of Representations and Warranties*. All representations and warranties made hereunder, and in any document, certificate or statement delivered pursuant hereto or in connection herewith, shall survive the execution and delivery of this Agreement.

(j) *No Waiver; Cumulative Remedies*. No failure to exercise and no delay in exercising, on the part of a party hereto, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

(k) *Costs and Expenses*. Each party hereto shall bear its own costs and expenses (including the fees and disbursements of counsel and accountants) incurred in connection with the negotiations, preparation of and entry into this Agreement, and all matters incident thereto, prior to the Effective Time. For the avoidance of doubt, all costs and expenses incurred by the parties hereto on and after the Effective Time in connection with the performance of their respective duties hereunder shall be borne in accordance with Section 8.

(l) *Headings*. The section and subsection headings in this Agreement are for convenience in reference only and shall not be deemed to alter or affect the interpretation of any provisions hereof.

(m) *Counterparts*. This Agreement may be executed by the parties to this Agreement on any number of separate counterparts (including by facsimile), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

(n) *Severability*. Any provision of this Agreement which is 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.

(o) *Action by the Company*. Notwithstanding anything to the contrary in this Agreement, only the Company, by action of a two-thirds (2/3) vote of the Independent Directors (who have not recused themselves with respect to such vote), and for the avoidance of doubt not the Manager, may exercise the Company's rights or grant any consent, amendment or waiver hereunder, including the termination rights under Section 11(b).

[*Signature Page Follows*]

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

Company:

CompoSecure Holdings, L.L.C.

By: _____
Name:
Title:

Manager:

Resolute Holdings Management, Inc.,

By: _____
Name:
Title:

[*Signature Page to CompoSecure Holdings, L.L.C. Management Agreement*]

Exhibit 10.2

REGISTRATION RIGHTS AGREEMENT

by and among

RESOLUTE HOLDINGS MANAGEMENT, INC.,

and

RESOLUTE COMPO HOLDINGS LLC

Dated as of _____, 2025

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THIS REGISTRATION RIGHTS AGREEMENT is made and entered into as of _____, 2025 by and among Resolute Holdings Management, Inc., a Delaware corporation (the "Company") and Resolute Compo Holdings LLC ("Resolute Compo Holdings") and any transferee that becomes a party to this Agreement by executing and delivering a counterpart to this Agreement in the form attached as Exhibit A.

RECITALS

WHEREAS, in connection with the consummation of the Spin-Off of the Company, the parties desire to enter into this Agreement in order to grant certain registration rights to the Holders of Registrable Securities as set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and other good and valid consideration, the receipt and sufficiency of which are acknowledged, the parties to this Agreement agree as follows:

Section 1. Definitions.

(a) As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" of a Person has the meaning set forth in Rule 12b-2 under the Exchange Act, and "Affiliated" shall have a correlative meaning. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise. Notwithstanding anything to the contrary set forth in this Agreement, Resolute Compo Holdings and its respective Affiliates shall not be deemed to be Affiliates of the Company.

"Agreement" means this Registration Rights Agreement, as amended, modified or supplemented from time to time, in accordance with the terms of this Registration Rights Agreement, together with any exhibits, schedules or other attachments to this Registration Rights Agreement.

"Alternative Transactions" has the meaning set forth in Section 4(d).

"Automatic Shelf Registration Statement" means an "automatic shelf registration statement" as defined in Rule 405 promulgated under the Securities Act.

"Common Stock" means the common stock, par value $0.0001 per share, of the Company, including any other shares of stock issued or issuable with respect to the common stock of the Company (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a

combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event).

"Company" has the meaning set forth in the Preamble and includes the Company's successors by merger, acquisition, reorganization or otherwise.

"Controlling Person" has the meaning set forth in Section 11(a).

"Covered Person" has the meaning set forth in Section 11(a).

"Demand Registration" has the meaning set forth in Section 2(a).

"Demand Registration Request" has the meaning set forth in Section 2(a).

"Determination Date" has the meaning set forth in Section 4(f).

"Equity Securities" means shares of Common Stock, shares of any other class of common or preferred stock of the Company and any options, warrants, rights or securities of the Company convertible into or exchangeable for common or preferred stock of the Company.

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

"Executive Officer" has the meaning as set forth in Rule 16a-1(f) or any successor rule, as promulgated by the SEC under the Exchange Act.

"Family Member" means, with respect to any Person who is an individual, any spouse or lineal descendants, including adoptive relationships.

"Governmental Entity" means any United States or foreign (i) federal, state, local, municipal or other government, (ii) governmental or quasi-governmental entity of any nature (including, without limitation, any governmental agency, branch, department, official or entity and any court or other tribunal) or (iii) body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature, including, without limitation, any arbitral tribunal.

"Holder" means Resolute Compo Holdings and any direct or indirect transferee of Resolute Compo Holdings that has become a party to this Agreement by executing and delivering a counterpart to this Agreement in the form attached as Exhibit A, in each case to the extent such Person is a holder or beneficial owner of Registrable Securities.

"Permitted Transferee" shall mean any Affiliate, Family Member, direct or indirect member, partner, stockholder or other equity holder of Resolute Compo Holdings, and any Permitted Transferee of Resolute Compo Holdings shall be bound by the terms of this Agreement and treated as Resolute Compo Holdings for all purposes of this Agreement.

"Person" means any natural person, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, foundation, unincorporated organization or government or other agency or political subdivision of such government.

"Piggyback Registration" has the meaning set forth in Section 5(a).

"Piggyback Shelf Registration Statement" has the meaning set forth in Section 5(a).

"Piggyback Shelf Takedown" has the meaning set forth in Section 5(a).

"Prospectus" means the prospectus or prospectuses (whether preliminary or final) included in any Registration Statement and relating to Registrable Securities, as amended or supplemented and including all material incorporated by reference in such prospectus or prospectuses.

"Registrable Securities" means, at any time, (i) any shares of Common Stock held or beneficially owned by any Holder, (ii) any shares of Common Stock issued or issuable to any Holder upon the conversion, exercise or exchange, as applicable, of any other Equity Securities held or beneficially owned by any Holder and (iii) any shares of Common Stock issued or issuable to any Holder with respect to any shares described in clauses (i) and (ii) above by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other reorganization or other similar event (it being understood that, for purposes of this Agreement, a Person shall be deemed to be a Holder of Registrable Securities whenever such Person in its sole discretion has the right to then acquire or obtain from the Company any Registrable Securities, whether or not such acquisition has actually been effected). As to any particular Registrable Securities, the shares described in the preceding sentence shall cease to constitute Registrable Securities when such shares become eligible for resale under Rule 144 without volume or manner-of-sale restrictions and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144(c)(1).

"Registration Expenses" has the meaning set forth in Section 10(a).

"Registration Statement" means any registration statement of the Company under the Securities Act which covers any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, all amendments and supplements to that Registration Statement, including post-effective amendments, all exhibits and all documents incorporated by reference in that Registration Statement.

"Remaining Registrable Securities" has the meaning set forth in Section 4(e).

"Requested Shelf Registered Securities" has the meaning set forth in Section 4(b).

"Resolute Compo Holdings" has the meaning set forth in the Preamble.

"Rule 144" means Rule 144 under the Securities Act or any successor rule.

"S-3 Shelf Eligible" has the meaning set forth in Section 4(a).

"SEC" means the Securities and Exchange Commission or any successor agency administering the Securities Act and the Exchange Act at the time.

"SEC Guidance" means (i) any publicly available written or oral interpretations, questions and answers, guidance and forms of the SEC, (ii) any oral or written comments, requirements or requests of the SEC or its staff, (iii) the Securities Act and the Exchange Act and (iv) any other rules, bulletins, releases, manuals and regulations of the SEC.

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

"Selling Expenses" means all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities.

"Shelf Public Offering" has the meaning set forth in Section 4(b).

"Shelf Public Offering Request" has the meaning set forth in Section 4(b).

"Shelf Public Offering Requesting Holder" has the meaning set forth in Section 4(b).

"Shelf Registered Securities" means any Registrable Securities whose offer and sale is registered pursuant to a Registration Statement filed in connection with a Shelf Registration (including an Automatic Shelf Registration Statement).

"Shelf Registration" has the meaning set forth in Section 4(a).

"Shelf Registration Statement" means a Registration Statement filed with the SEC on either Form S-3 or F-3 for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (or any successor provision) covering the offer and sale of all or any portion of the Registrable Securities, as applicable.

"Shelf Requesting Holder" has the meaning set forth in Section 4(a).

"Spin-Off" means the distribution by CompoSecure, Inc., and registration of the Common Stock pursuant to the Company's Form 10 filed with and declared effective by the SEC.

"Suspension" has the meaning set forth in Section 7.

"Transfer" means, when used as a noun, any direct or indirect, voluntary or involuntary, sale, disposition, hypothecation, mortgage, gift, pledge, assignment, attachment or other transfer (including the creation of any derivative or synthetic interest, including a participation or other similar interest) and, when used as a verb, voluntarily to

directly or indirectly sell, dispose, hypothecate, mortgage, gift, pledge, assign, attach or otherwise transfer, in any case, whether by operation of law or otherwise.

"underwritten offering" means a registered offering of securities conducted by one or more underwriters pursuant to the terms of an underwriting agreement.

(a) In addition to the above definitions, unless the context requires otherwise:

(i) any reference to any statute, regulation, rule or form as of any time shall mean such statute, regulation, rule or form as amended or modified and shall also include any successor statute, regulation, rule or form, as amended, from time to time;

(ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", in each case notwithstanding the absence of any express statement to such effect, or the presence of such express statement in some contexts and not in others;

(iii) references to "Section" are references to Sections of this Agreement; and

(iv) references to "dollars" and "$" mean U.S. dollars.

"Well-Known Seasoned Issuer" means a "well-known seasoned issuer" as defined in Rule 405 promulgated under the Securities Act and which (a)(i) is a "well-known seasoned issuer" under paragraph (1)(i)(A) of such definition or (ii) is a "well-known seasoned issuer" under paragraph (1)(i)(B) of such definition and is also eligible to Register a primary offering of its securities relying on General Instruction I.B.1 of Form S-3 under the Securities Act and (b) is not an "ineligible issuer" as defined in Rule 405 promulgated under the Securities Act.

Section 2. Demand Registrations.

(a) Right to Demand Registrations. At any time following the Spin-Off, each Holder may, by providing written notice to the Company, request to sell all or part of its Registrable Securities pursuant to a Registration Statement (a "Demand Registration") (such requesting Holder, a "Demand Holder"). Each request for a Demand Registration (a "Demand Registration Request") shall specify the number of Registrable Securities intended to be offered and sold by that Demand Holder pursuant to the Demand Registration and the intended method of distribution of those Registrable Securities, including whether the offering is intended to be an underwritten offering. Notwithstanding the prior sentence, the Company may, if the Board of Directors of the Company so determines that, due to a pending or contemplated material acquisition or disposition or public offering or other material event involving the Company or any of its subsidiaries, it would be inadvisable to effect the requested Demand Registration at that time (but in no event after the related Registration Statement has become effective), the Company may, upon providing the Demand Holder written notice (the "Delay Notice"), defer the Demand Registration for a single period set forth in that Delay Notice not to exceed 90 days.

The Company shall not postpone or delay a Demand Registration under this Section 2 more than once in any twelve (12) month period. Promptly (but in any event within three (3) business days) after receipt of a Demand Registration Request, the Company shall give written notice of the Demand Registration Request to all other Holders of Registrable Securities. As promptly as practicable and no later than ten (10) business days after receipt of a Demand Registration Request, the Company shall register all Registrable Securities (i) that have been requested to be registered in the Demand Registration Request and (ii) subject to Section 3, with respect to which the Company has received a written request for inclusion in the Demand Registration from a Holder no later than five (5) business days after the date on which the Company has given notice to Holders of the Demand Registration Request. The Company shall use its reasonable best efforts to cause the Registration Statement filed pursuant to this Section 2(a) to be declared effective by the SEC or otherwise become effective under the Securities Act as promptly as practicable after the filing of the Registration Statement. A Demand Registration may be effected by way of a Registration Statement on Form S-3 or any similar short-form registration statement to the extent the Company is permitted to use such form at such time. The Company shall not be required to effect a Demand Registration unless the expected aggregate gross proceeds from the offering of the Registrable Securities to be registered in connection with such Demand Registration are at least $50 million and shall not be required to effect more than four (4) Demand Registrations in any 12-month period.

The Company shall not be obligated to maintain a Registration Statement pursuant to a Demand Registration effective for more than (x) 360 days or (y) a shorter period when all of the Registrable Securities covered by that Registration Statement have been sold pursuant to that Registration Statement(the "Effectiveness Period").

(b) Number of Demand Registrations. Resolute Compo Holdings, together with any direct or indirect transferee of Resolute Compo Holdings that has become a Holder, shall be entitled to request an unlimited number of Demand Registrations. At any time in which the Company is eligible to register Common Stock on Form S-3 (or any successor form), each Holder shall have an unlimited number of Demand Registrations on Form S-3.

(c) Withdrawal. A Holder may, by written notice to the Company, withdraw its Registrable Securities from a Demand Registration at any time prior to the effectiveness of the applicable Registration Statement. Upon receipt of notices from all applicable Holders to that effect, the Company shall cease all efforts to seek effectiveness of the applicable Registration Statement, unless the Company intends to effect a primary offering of securities pursuant to such Registration Statement. In addition, a Demand Holder may, at any time prior to the effective date of the Registration Statement relating to a Demand Registration, revoke its request by providing a written notice of the revocation to the Company and only if that Demand Holder complies with this Section 2(c).

(d) Selection of Underwriters. If a Demand Registration is an underwritten offering, the Demand Holder requesting the Demand Registration shall have the right to select the investment banking firm(s) to act as the managing underwriter(s) in connection with the related offering, subject to the approval of the Company (which approval shall not be unreasonably withheld, conditioned or delayed).

Section 3. Inclusion of Other Securities; Priority. The Company shall not include in any Demand Registration any securities that are not Registrable Securities without the prior

written consent of the Holder(s) (which consent may not be unreasonably withheld or delayed) of the Registrable Securities participating in that Demand Registration. If a Demand Registration involves an underwritten offering and the managing underwriters of such offering advise the Company and the Holders in writing that, in their opinion, the number of Equity Securities proposed to be included in that Demand Registration, including all Registrable Securities and all other Equity Securities proposed to be included in such offering, exceeds the number of Equity Securities that can reasonably be expected to be sold in such offering without adversely affecting the success of the offering (including the price, timing or distribution of the securities to be sold in such offering), the Company shall include in such Demand Registration: (i) first, the Registrable Securities proposed to be sold by Holders in the offering; and (ii) second, to the extent additional Equity Securities may, in the opinion of the managing underwriters, be included in the offering without reasonably being expected to adversely affect the success of the offering (including the price, timing or distribution of the securities to be sold in the offering), any Equity Securities proposed to be included in such Demand Registration by any other Persons (including Equity Securities to be sold for the account of the Company and/or any other holders of Equity Securities), allocated, in the case of this clause (ii), among such Persons in such manner as the Company may determine. If more than one Holder is participating in such Demand Registration and the managing underwriters of such offering determine that a limited number of Registrable Securities held by the Holders may be included in the offering without reasonably being expected to adversely affect the success of the offering (including the price, timing or distribution of the securities to be sold in the offering), then the Registrable Securities that are included in such offering shall be allocated pro rata among the participating Holders on the basis of the number of Registrable Securities initially requested to be sold by the Holder in such offering.

Section 4. Shelf Registrations.

(a) Initial Shelf Registration. At any time when the Company becomes eligible to use Form S-3 in connection with a secondary public offering of its equity securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, in accordance with SEC Guidance ("S-3 Shelf Eligible"), upon the written request of any Holder of Registrable Securities (the "Shelf Requesting Holder"), the Company shall use its commercially reasonable efforts to register, under the Securities Act on Form S-3 for an offering on a delayed or continuous basis pursuant to Rule 415 promulgated under the Securities Act (a "Shelf Registration"), the offer and sale of such amount of Registrable Securities owned by such Shelf Requesting Holder as such Shelf Requesting Holder shall request. Upon the receipt of such written request, the Company shall promptly give notice (via facsimile or electronic transmission) of such requested Shelf Registration at least ten (10) business days prior to the anticipated filing date of such Shelf Registration to the other Holders of Registrable Securities, and such notice shall describe the proposed Shelf Registration, the intended method of disposition of such Registrable Securities and any other information that at the time would be appropriate to include in such notice, and offer such Holders of Registrable Securities the opportunity to register the number of Registrable Securities as each such Holder of Registrable Securities may request by written notice to the Company, given within five (5) business days after such Holders of Registrable Securities are given the Company's notice of the Shelf Registration. The "Plan of Distribution" section of such Shelf Registration shall permit all lawful means of disposition of Registrable Securities, including firm-commitment underwritten public

offerings, block trades, agented transactions, sales directly into the market, purchases or sales by brokers, derivative transactions, short sales, stock loan or stock pledge transactions, hedging transactions and sales not involving a public offering. With respect to each Shelf Registration, the Company shall (x) as promptly as practicable after the written request of the Holder of Registrable Securities, file a Registration Statement and (y) use its commercially reasonable efforts to cause such Registration Statement to be declared effective as promptly as practicable, and remain effective until the date set forth in Section 8. No Holders of Registrable Securities shall be entitled to include any of its Registrable Securities in a Shelf Registration unless such Holder of Registrable Securities has complied with Section 9, to the extent applicable. The obligations set forth in this Section 4 shall not apply if the Company has a currently effective Shelf Registration Statement covering all Registrable Securities in accordance with Section 8 and has otherwise complied with its obligations pursuant to this Section 4. The rights of Holders of Registrable Securities with respect to any Shelf Registration shall be subject to Suspension, as provided in Section 7.

(b) Underwritten Take-Downs. Upon written request by a Holder of Registrable Securities holding Shelf Registered Securities (the "Shelf Public Offering Requesting Holder"), which request (the "Shelf Public Offering Request") shall specify the class or series and amount of such Shelf Public Offering Requesting Holder's Shelf Registered Securities to be sold (the "Requested Shelf Registered Securities"), the Company shall perform its obligations hereunder with respect to the sale of such Requested Shelf Registered Securities in the form of a firm commitment underwritten public offering (unless otherwise consented to by the Shelf Public Offering Requesting Holder) (a "Shelf Public Offering") if the aggregate proceeds reasonably anticipated to be generated, net of underwriting discounts and commissions, from the sale of the Requested Shelf Registered Securities equals or exceeds $15,000,000 (as determined by the Shelf Public Offering Requesting Holder in good faith, as of the date the Company receives the Shelf Public Offering Request), unless such Shelf Public Offering shall include all of the Registrable Securities then owned by the Shelf Public Offering Requesting Holder(s). Promptly upon receipt of a Shelf Public Offering Request, the Company shall provide notice (the "Shelf Public Offering Notice") of such proposed Shelf Public Offering, to the extent known, as well as the identity of the Shelf Public Offering Requesting Holder, to the other Holders of Registrable Securities holding Shelf Registered Securities. Such other Holders of Registrable Securities may, by written request to the Company and the Shelf Public Offering Requesting Holders, within one (1) business day after receipt of such Shelf Public Offering Notice, offer and sell up to all of their Shelf Registered Securities of the same class or series as the Requested Shelf Registered Securities in such proposed Shelf Public Offering. No Holder of Registration Rights shall be entitled to include any of its Registrable Securities in a Shelf Public Offering unless such Holder of Registrable Securities has compiled with Section 9, to the extent applicable. The lead managing underwriter or underwriters selected for such Shelf Public Offering shall be selected in accordance with Section 8. The terms and conditions of any customary underwriting or purchase arrangements pursuant to which Registrable Securities shall be sold in a Shelf Public Offering shall be approved by the Shelf Public Offering Requesting Holder.

(c) Priority. In a Shelf Public Offering, if the lead managing underwriter advises the Shelf Public Offering Requesting Holder and the Company that, in its opinion, the number of Equity Securities requested to be included in such Shelf Public Offering, including all Registrable Securities and all other Equity Securities proposed to be included in such offering,

exceeds the number of Equity Securities that can reasonably be expected to be sold in such offering without adversely affecting the success of the offering (including the price, timing or distribution of the securities to be sold in such offering), the Company shall include in such Shelf Public Offering: (i) first, the Registrable Securities that are requested to be included in such Shelf Public Offering, pro rata among Holders entitled to participate therein; and (ii) second, all securities that are registered on the applicable Shelf Registration Statement and are requested to be included in such Shelf Public Offering by the Company (including securities to be included pursuant to other applicable registration rights agreements or provisions).

(d) Company Cooperation.

(i) The Company shall use its commercially reasonable efforts to cooperate in a timely manner with any request of the Holders of Registrable Securities holding Shelf Registered Securities in respect of any block trade, agented transaction, sales directly into the market, purchase or sale by brokers, derivative transaction, short sale, stock loan or stock pledge transaction, sale not involving a public offering, hedging transaction or other transaction or disposition that is registered pursuant to a Shelf Registration that is not a firm commitment underwritten offering (each, an "Alternative Transaction"), including entering into customary agreements with respect to such Alternative Transactions (and providing customary representations, warranties, covenants and indemnities in such agreements).

(ii) The Company shall bear all Registration Expenses in connection with any Shelf Registration, any Shelf Public Offering or any other transaction (including any Alternative Transaction) registered under a Shelf Registration pursuant to this Section 4(d), whether or not such Shelf Registration becomes effective or such Shelf Public Offering or other transactions is completed.

(e) Subsequent Shelf Registration. After the Registration Statement with respect to a Shelf Registration is declared effective, upon written request by one or more Holders of Registrable Securities (which written request shall specify the amount of such Holders' Registrable Securities to be registered), the Company shall, as permitted by SEC Guidance, (i) if it is a Well-Known Seasoned Issuer and such Registration Statement is an Automatic Shelf Registration Statement, as promptly as practicable after receiving such request, file a prospectus supplement to include such Holders of Registrable Securities as selling stockholders in such Registration Statement or (ii) otherwise, as promptly as practicable after the date the Registrable Securities requested to be registered pursuant to this Section 4(e) that have not already been so registered represent more than 1.0% of the outstanding Registrable Securities, file a post-effective amendment to the Registration Statement to include such Holders of Registrable Securities in such Shelf Registration and use commercially reasonable efforts to have such post-effective amendment declared effective. To the extent that any Registration Statement with respect to a Shelf Registration is expected to no longer be usable for the resale of Registrable Securities registered thereon ("Remaining Registrable Securities") pursuant to SEC Guidance, the Company shall, not later than 90 days prior to the date such Registration Statement is expected to no longer be usable, use commercially reasonable efforts to prepare and file a new Registration Statement with respect to such Shelf Registration, as if the holders of such Remaining Registrable Securities had requested a Shelf Registration with respect thereto

pursuant to Section 4(a) and perform all actions required under this Agreement with respect to such Shelf Registration.

(f) Automatic Shelf Registration Statements. Upon the Company becoming a Well-Known Seasoned Issuer eligible to use an Automatic Shelf Registration Statement in accordance with SEC Guidance, the Company shall, as promptly as practicable, register, under an Automatic Shelf Registration Statement, the sale of all of the Registrable Securities in accordance with the terms of this Section 4. If requested by any Holder, the Company shall use its commercially reasonable efforts to file such Automatic Shelf Registration Statement as promptly as practicable, but in no event later than fifteen (15) business days after it becomes a Well-Known Seasoned Issuer, and to cause such Automatic Shelf Registration Statement to remain effective thereafter until the date set forth in Section 8. The Company shall give written notice of filing such Registration Statement to all of the Holders of Registrable Securities as promptly as practicable thereafter. The Company shall not be required to include any Holders of Registrable Securities as a selling stockholder in any Registration Statement or prospectus unless such Holders of Registrable Securities has compiled with Section 9, to the extent applicable. At any time after the filing of an Automatic Shelf Registration Statement by the Company, if it is reasonably likely that it will no longer be a Well-Known Seasoned Issuer as of a future determination date (the "Determination Date"), as promptly as practicable and at least 30 days prior to such Determination Date, the Company shall (A) give written notice thereof to all of the Holders of Registrable Securities and (B) if the Company is S-3 Shelf Eligible, file a Registration Statement on Form S-3 with respect to a Shelf Registration in accordance with Section 4(a) and use all commercially reasonable efforts to have such Registration Statement declared effective prior to the Determination Date.

Section 5. Piggyback Registrations.

(a) Whenever the Company proposes to register any Equity Securities under the Securities Act (other than a registration (i) pursuant to a Registration Statement on Form S-8 (or other registration solely relating to an offering or sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit arrangement), (ii) pursuant to a Registration Statement on Form S-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule to Rule 145) or (iii) in connection with any dividend or distribution reinvestment or similar plan), whether for its own account or for the account of one or more stockholders of the Company (other than a Demand Registration (for which participation is provided under Section 2)) (a "Piggyback Registration"), the Company shall give prompt written notice to each Holder of Registrable Securities of its intention to effect such a registration. The Company shall in no event give that notice in less than ten (10) business days prior to the proposed date of filing of the applicable Registration Statement. Subject to Sections 5(b) and 6(c), the Company shall include in the Registration Statement and in any offering of Equity Securities to be made pursuant to that Registration Statement that number of Registrable Securities requested to be sold in such offering by a Holder for the account of that Holder if the Company has received a written request for inclusion in the Registration Statement from that Holder no later than five (5) business days after the date on which the Company has given notice of the Piggyback Registration to Holders. The Company may terminate or withdraw a Piggyback Registration prior to the effectiveness of such registration at any time in its sole discretion. If a Piggyback Registration is effected pursuant to a

Registration Statement on Form S-3 or the then appropriate form for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act or any successor rule to Rule 415 (a "Piggyback Shelf Registration Statement"), the Holders of Registrable Securities shall be notified by the Company of and shall have the right, but not the obligation, to participate in any offering pursuant to such Piggyback Shelf Registration Statement (a "Piggyback Shelf Takedown"), subject to the same limitations that are applicable to any other Piggyback Registration as set forth above.

(b) Priority on Primary Piggyback Registrations. If a Piggyback Registration or Piggyback Shelf Takedown is initiated as a primary underwritten offering on behalf of the Company and the managing underwriters of the offering advise the Company in writing that, in their opinion, the number of Equity Securities proposed to be included in that offering, including all Registrable Securities and all other Equity Securities proposed to be included in the offering, exceeds the number of Equity Securities that can reasonably be expected to be sold in the offering without adversely affecting the success of the offering (including the price, timing or distribution of the securities to be sold in the offering), the Company shall include in such Piggyback Registration or Piggyback Shelf Takedown: (i) first, the Equity Securities that the Company proposes to sell in the offering; (ii) second, any Equity Securities proposed to be included in the offering by Holders exercising their rights pursuant to this Section 5, allocated, in the case of this clause (ii), pro rata among those Holders on the basis of the number of Equity Securities initially proposed to be included by each Holder in the offering, up to the number of Equity Securities, if any, that the managing underwriters determine can be included in the offering without reasonably being expected to adversely affect the success of the offering (including the price, timing or distribution of the securities to be offered in the offering); and (iii) third, any Equity Securities proposed to be included in the offering by any other Person to whom the Company has a contractual obligation to facilitate such offering.

(c) Priority on Secondary Piggyback Registrations. If a Piggyback Registration or a Piggyback Shelf Takedown is initiated as an underwritten offering on behalf of a holder of Equity Securities to whom the Company has a contractual obligation to facilitate such offering, other than Holders of Registrable Securities exercising rights pursuant to Section 2, for which the specified priorities are in Section 3, and the managing underwriters of the offering advise the Company in writing that, in their opinion, the number of Equity Securities proposed to be included in the offering, including all Registrable Securities and all other Equity Securities requested to be included in the offering, exceeds the number of Equity Securities which can reasonably be expected to be sold in the offering without adversely affecting the success of the offering (including the price, timing or distribution of the securities to be sold in the offering), the Company shall include in such Piggyback Registration or Piggyback Shelf Takedown: (i) first, any Equity Securities requested to be included in the offering by a Holder exercising their rights pursuant to this Section 5, allocated, in the case of this clause (i), pro rata among those Holders on the basis of the number of Equity Securities initially proposed to be included by each of those Holders in the offering; and (ii) second, the Equity Securities that the Person demanding the offering pursuant to such contractual right proposes to sell in the offering, in each case of clause (i) and clause (ii), up to the number of Equity Securities, if any, that the managing underwriters determine can be included in the offering without reasonably being expected to adversely affect the success of the offering (including the price, timing or distribution of the securities to be offered in the offering); and (iii) third, any Equity Securities proposed to be

included in the offering by any other Person to whom the Company has a contractual obligation to facilitate such offering or otherwise desires to include in such offering, if, and only if, the managing underwriters determine can be included in the offering without reasonably being expected to adversely affect the success of the offering (including the price, timing or distribution of the securities to be offered in the offering).

(d) Selection of Underwriters. If a Piggyback Registration or Piggyback Shelf Takedown is initiated as a primary underwritten offering on behalf of the Company, the Company shall have the right to select the investment banking firm(s) to act as the managing underwriter(s) in connection with such offering.

Section 6. Holdback Agreements.

(a) Holders of Registrable Securities. Each Holder of Registrable Securities that holds or beneficially owns at least 10% of the outstanding Common Stock agrees that in connection with any registered underwritten offering of Common Stock, and upon request from the managing underwriter(s) for that offering, that Holder shall not, without the prior written consent of that managing underwriter(s), during such period as is reasonably requested by the managing underwriter(s) (which period shall in no event be longer than three (3) days prior to and ninety (90) days after the pricing of such offering), Transfer any Registrable Securities. The restrictions on Transfers in this Section 6(a) shall not apply to offers or sales of Registrable Securities that are included in an offering pursuant to Sections 2, 3 , 4 or 5 of this Agreement and shall be applicable to the Holders of Registrable Securities only if, for so long as and to the extent that the Company, all the directors and Executive Officers of the Company, each selling stockholder included in such offering and each other Person holding or beneficially owning at least 10% of the outstanding Common Stock are subject to the same restrictions. Each Holder of Registrable Securities agrees to execute and deliver such other agreements as may be reasonably requested by the managing underwriter(s) that are consistent with the provisions of this Section 6(a) and are necessary to give further effect to those provisions. If the Company releases any Holder of Registration Securities from such a holdback agreement, it shall similarly release all other Holders of Registrable Securities on a pro rata basis. Notwithstanding anything to the contrary in this Section 6(a), no Holder shall be subject to a holdback arrangement in excess of 180 days in any calendar year due to the registration of any Registrable Securities pursuant to Section 3.

(b) The Company. To the extent requested by the managing underwriter(s) for the applicable offering, the Company shall not effect any sale registered under the Securities Act of Equity Securities during the period commencing three (3) days prior to and ending ninety (90) days after the pricing of an underwritten offering pursuant to Sections 2 or 5 of this Agreement, other than a registration (i) pursuant to a Registration Statement on Form S-8 (or other registration solely relating to an offering or sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit arrangement), (ii) pursuant to a Registration Statement on Form S-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule to Rule 145), (iii) in connection with any dividend or distribution reinvestment or similar plan or (iv) as consideration to any third party seller in connection with the bona fide acquisition by the Company or any subsidiary of the

Company of the assets or securities of any Person in any transaction approved by the Board of Directors of the Company.

(c) In the case of any underwritten offering pursuant to this Agreement, the Company shall use commercially reasonable efforts to cause any stockholders that beneficially own 5% or more of the Common Stock (other than the Holders of Registrable Securities) and its directors and Executive Officers to execute any lock-up agreements in form and substance as agreed by the selling stockholders in such underwritten offering and as reasonably requested by the managing underwriters.

Section 7. Suspensions. Upon giving no less than five (5) days' prior written notice to the Holders of Registrable Securities, the Company shall be entitled to delay or suspend the filing, effectiveness or use of a Registration Statement or Prospectus (a "Suspension") if the board of directors of the Company determines in good faith that (i) proceeding with the filing, effectiveness or use of such Registration Statement or Prospectus would reasonably be expected to require the Company to disclose any information the disclosure of which would have a material adverse effect on the Company and that the Company would not otherwise be required to disclose at such time, (ii) the registration or offering proposed to be delayed or suspended would reasonably be expected to, if not delayed or suspended, have a material adverse effect on any pending negotiation or plan of the Company to effect a merger, acquisition, disposition, financing, reorganization, recapitalization or other similar transaction, in each case that, if consummated, would be material to the Company or (iii) due to any other material event involving the Company or any of its subsidiaries, it would be inadvisable to effect the filing or use such Registration Statement or Prospectus. The Company shall not be entitled to exercise a Suspension (i) more than twice during any 12-month period or (ii) for a period exceeding 60 (sixty) days on any one occasion. Each Holder who is notified by the Company of a Suspension pursuant to this Section 7 shall keep the existence of such Suspension confidential and shall immediately discontinue (and direct any other Person making offers or sales of Registrable Securities on behalf of such Holder to immediately discontinue) offers and sales of Registrable Securities pursuant to such Registration Statement or Prospectus until such time as it is advised in writing by the Company that the use of the Registration Statement or Prospectus may be resumed and, if applicable, is furnished by the Company with a supplemented or amended Prospectus as contemplated by Section 8(g). If the Company delays or suspends a Demand Registration or Shelf Registration, the Holder that initiated such Demand Registration or Shelf Registration shall be entitled to withdraw its request. In the case of a Demand Registration Request, such Demand Registration Request shall not count against the limitation on the number of such Holder's Demand Registrations set forth in Section 2(b).

Section 8. Registration Procedures. If and whenever the Company is required to effect the registration of any Registrable Securities pursuant to this Agreement, the Company shall use its reasonable best efforts to effect and facilitate the registration, offering and sale of such Registrable Securities in accordance with the intended method of disposition of those Registrable Securities as promptly as is practicable, and, the Company shall as expeditiously as possible and as applicable:

(a) prepare and file with the SEC a Registration Statement with respect to those Registrable Securities, make all required filings required in connection with that

Registration Statement and (if the Registration Statement is not automatically effective upon filing) use its reasonable best efforts to cause the Registration Statement to become effective as promptly as practicable. Before filing a Registration Statement or any amendments or supplements to that Registration Statement, the Company shall furnish to counsel to the Holders for such registration copies of all documents proposed to be filed, which documents shall be subject to review by counsel to the Holders at the Company's expense, and give the Holders participating in such registration an opportunity to comment on such documents and keep such Holders reasonably informed as to the registration process. The Company shall not be obligated to maintain such registration effective for (i) a period longer than the Effectiveness Period, or (ii) in the case of a Shelf Registration, until the earlier of the date (x) on which all of the securities covered by such Shelf Registration are no longer Registrable Securities and (y) on which the Company cannot extend the effectiveness of such Shelf Registration because it is no longer S-3 Shelf Eligible;

(b) prepare and file with the SEC such amendments and supplements to any Registration Statement and the Prospectus used in connection with that Registration Statement as may be necessary to keep the Registration Statement effective for a period of not less than the Effectiveness Period (but not prior to the expiration of the time period referred to in Section 4(3) of the Securities Act and Rule 174 under the Securities Act, if applicable) and comply with the applicable requirements of the Securities Act with respect to the disposition of the Registrable Securities covered by such Registration Statement in accordance with the intended method or methods of disposition by the sellers of such Registrable Securities set forth in such Registration Statement or supplement to the Prospectus;

(c) furnish to each Holder participating in the registration, without charge, such number of copies of the Registration Statement and any post-effective amendment to such Registration Statement and such number of copies of the Prospectus included in such Registration Statement (including each preliminary Prospectus) and any supplement to that Registration Statement (in each case including all exhibits in and all documents incorporated by reference in the Registration Statement and any supplement to the Registration Statement) and such other documents as such Holder may reasonably request, including in order to facilitate the disposition of the Registrable Securities owned by such Holder (it being understood that the Company consents to the use of the Prospectus and any amendment or supplement to the Prospectus by the Holders covered by the Registration Statement and the underwriter or underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by the Prospectus or any amendments or supplements to the Prospectus);

(d) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or "blue sky" laws of such U.S. jurisdiction(s) as any Holder participating in the registration or any managing underwriter reasonably requests and do any and all other acts and things that may be necessary or reasonably advisable to enable such Holder and each underwriter, if any, to consummate the disposition of that Holder's Registrable Securities in such jurisdiction(s), except that the Company shall not be required to qualify generally to do business, subject itself to taxation or consent to general service of process in any jurisdiction where it would not otherwise be required to do so but for its obligations pursuant to this Section 8(d);

(e) use its reasonable best efforts to cause all Registrable Securities covered by any Registration Statement to be registered with or approved by such other Governmental Entities or self-regulatory bodies as may be necessary or reasonably advisable in light of the business and operations of the Company to enable each Holder participating in the registration to consummate the disposition of such Registrable Securities in accordance with the intended method or methods of disposition of such Registrable Securities;

(f) promptly notify each Holder participating in the registration and the managing underwriters of any underwritten offering:

(i) each time when the Registration Statement, any pre-effective amendment to the Registration Statement, the Prospectus or any Prospectus supplement or any post-effective amendment to the Registration Statement has been filed and, with respect to the Registration Statement or any post-effective amendment to the Registration Statement, when the same has become effective;

(ii) of any oral or written comments by the SEC or of any request by the SEC for amendments or supplements to the Registration Statement or the Prospectus or for any additional information regarding such Holder;

(iii) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceedings for any such purpose; and

(iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction;

(g) notify each Holder participating in such registration, at any time when a Prospectus relating to the registration is required to be delivered under the Securities Act, of the occurrence of any event that would cause the Prospectus included in the related Registration Statement to contain an untrue statement of a material fact or to omit any fact necessary to make the statements made in the Prospectus not misleading in light of the circumstances under which they were made, and, as promptly as practicable, prepare, file with the SEC and furnish to that Holder a reasonable number of copies of a supplement or amendment to the Prospectus so that, as thereafter delivered to the purchasers of the Registrable Securities, the Prospectus will not contain any untrue statement of a material fact or omit to state any fact necessary to make the statements made in the Prospectus not misleading in light of the circumstances under which they were made;

(h) in the event of the issuance of any stop order suspending the effectiveness of a Registration Statement, any order suspending or preventing the use of any related Prospectus or any suspension of the qualification or exemption from qualification of any Registrable Securities for sale in any jurisdiction, use its reasonable best efforts to promptly obtain the withdrawal or lifting of any such order or suspension;

(i) not file or make any amendment to any Registration Statement with respect to any Registrable Securities, or any amendment of or supplement to the Prospectus used

in connection such Registration Statement, that refers to any Holder covered by the Registration Statement by name or otherwise identifies that Holder as the holder of any securities of the Company without the consent of that Holder (which consent may not be unreasonably withheld or delayed), unless and to the extent that disclosure is required by law. Notwithstanding the previous sentence, (i) each Holder shall furnish to the Company in writing such information regarding itself and the distribution proposed by it as the Company may reasonably request for use in connection with a Registration Statement or Prospectus and (ii) each Holder agrees to notify the Company as promptly as practicable of any inaccuracy or change in information previously furnished to the Company by that Holder or of the occurrence of any event that would cause the Prospectus included in the Registration Statement to contain an untrue statement of a material fact regarding that Holder or the distribution of those Registrable Securities or to omit to state any material fact regarding that Holder or the distribution of those Registrable Securities required to be stated in the Prospectus or necessary to make the statements made in the Prospectus not misleading in light of the circumstances under which they were made. The Holder agrees to furnish to the Company, as promptly as practicable, any additional information required to correct and update the information previously furnished by that Holder such that the Prospectus shall not contain any untrue statement of a material fact regarding that Holder or the distribution of those Registrable Securities or omit to state a material fact regarding that Holder or the distribution of those Registrable Securities necessary to make the statements made in the Prospectus not misleading in light of the circumstances under which they were made;

(j) cause the Registrable Securities to be listed on each securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed on any securities exchange, use its reasonable best efforts to cause those Registrable Securities to be listed on a national securities exchange selected by the Company after consultation with the Holders participating in such registration;

(k) provide a transfer agent and registrar (which may be the same entity) for all the Registrable Securities not later than the effective date of the Registration Statement;

(l) make available for inspection by any Holder participating in the registration, any underwriter participating in any underwritten offering or counterparty in an Alternative Transaction participating in any disposition pursuant to a Registration Statement being filed by the Company pursuant to this Section 8 and any attorney, accountant or other agent retained by any Holder or underwriter, all corporate documents, financial and other records relating to the Company and its business reasonably requested by that Holder or underwriter, cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such Holder, underwriter, attorney, accountant or agent in connection with that registration or offering and make senior management of the Company and the Company's independent accountants available for customary due diligence and drafting sessions. Any Person gaining access to information or personnel of the Company pursuant to this Section 8(l) shall (i) reasonably cooperate with the Company to limit any resulting disruption to the Company's business and (ii) protect the confidentiality of any information regarding the Company which the Company determines in good faith to be confidential and of which determination the Person is notified, unless the information (A) is or becomes known to the public without a breach of this Agreement, (B) is or becomes available to the Person on a non-confidential basis from a source other than the Company, (C) is independently developed by the

Person, (D) is requested or required by a deposition, interrogatory, request for information or documents by a Governmental Entity, subpoena or similar process or (E) is otherwise required to be disclosed by law;

(m) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC, and make available to its stockholders, as soon as reasonably practicable, an earnings statement (in a form that satisfies the provisions of Section 12(a) of the Securities Act and Rule 158 under the Securities Act or any successor rule to Rule 158) covering the period of at least 12 months beginning with the first day of the Company's first full fiscal quarter after the effective date of the applicable Registration Statement. This requirement will be deemed satisfied if the Company timely files complete and accurate information on Forms 10-K, 10-Q and 8-K under the Exchange Act and otherwise complies with Rule 158 under the Securities Act or any successor rule to Rule 158;

(n) in the case of an underwritten offering of Registrable Securities, promptly incorporate in a supplement to the Prospectus or a post-effective amendment to the Registration Statement such information as is reasonably requested by the managing underwriter(s) or any Holder participating in such underwritten offering to be included in such Prospectus or post-effective amendment, the purchase price for the securities to be paid by the underwriters and any other applicable terms of such underwritten offering, and promptly make all required filings of such supplement or post-effective amendment after being notified of the matters to be incorporated in such supplement or amendment;

(o) in the case of an underwritten offering of Registrable Securities, enter into such customary agreements (including underwriting and lock-up agreements in customary form) and take all such other customary actions as any Holder participating in the offering or the managing underwriter(s) of the offering reasonably requests in order to expedite or facilitate the disposition of the Registrable Securities;

(p) furnish to each Holder and to each underwriter in an underwritten offering or counterparty in an Alternative Transaction, if any, participating in an offering of Registrable Securities (i) (A) all legal opinions of outside counsel to the Company required to be included in the Registration Statement and (B), in the case of an underwritten offering, a written legal opinion of outside counsel to the Company, dated the closing date of the offering, in form and substance as is customarily given in opinions of outside counsel to the Company to underwriters in underwritten registered offerings; and (ii) (A) obtain all consents of independent public accountants required to be included in the Registration Statement and (B), in the case of an underwritten offering, on the date of the applicable Prospectus, on the effective date of any post-effective amendment to the Registration Statement and at the closing of the offering, dated the respective dates of delivery of each of the foregoing, a "comfort letter" signed by the Company's independent public accountants in form and substance as is customarily given in accountants' letters to underwriters in underwritten registered offerings;

(q) in the case of underwritten offerings or Alternative Transactions of Registrable Securities, make senior management of the Company available, to the extent requested by the managing underwriter(s) or counterparties in an Alternative Transaction, to assist in the marketing of the Registrable Securities to be sold in such underwritten offering or

Alternative Transaction, including the participation of such members of senior management of the Company in "road show" presentations and other customary marketing activities, including "one-on-one" meetings with prospective purchasers of the Registrable Securities to be sold in such underwritten offering, and otherwise facilitate, cooperate with, and participate in such underwritten offering and customary selling efforts related to such underwritten offering, in each case to the same extent as if the Company were engaged in a primary underwritten registered offering of its Common Stock;

(r) cooperate with the Holders of the Registrable Securities to facilitate the timely preparation and delivery of certificates representing the Registrable Securities to be sold pursuant to such Registration Statement free of any restrictive legends and representing such number of shares of Common Stock and registered in such names as the Holders of the Registrable Securities may reasonably request a reasonable period of time prior to sales of Registrable Securities pursuant to such Registration Statement. Notwithstanding anything in this Agreement to the contrary, the Company may satisfy its obligations under this Agreement without issuing physical stock certificates through the use of The Depository Trust Company's Direct Registration System;

(s) not later than the effective date of the Registration Statement, provide a CUSIP number for all Registrable Securities covered thereby and provide the applicable transfer agent with printed certificates for the Registrable Securities in a form eligible for deposit with The Depository Trust Company. Notwithstanding anything in this Agreement to the contrary, the Company may satisfy its obligations under this Agreement without issuing physical stock certificates through the use of The Depository Trust Company's Direct Registration System;

(t) reasonably cooperate with each Holder of Registrable Securities and each underwriter (or counterparty in an Alternative Transaction) participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made by FINRA;

(u) in the case of a registration pursuant to a Registration Statement on Form S-3 or any similar short-form registration, include in such Registration Statement such additional information for marketing purposes as the managing underwriter or counterparty in an Alternative Transaction reasonably requests (which information may be provided by means of a prospectus supplement if permitted by SEC Guidance); and

(v) otherwise use its reasonable best efforts to take or cause to be taken all other actions necessary or reasonably advisable to effect the registration, marketing and sale of such Registrable Securities contemplated by this Agreement.

Section 9. Participation in Registrations and Underwritten Offerings. No Person may participate in any registration pursuant to this Agreement unless that Person completes and executes all questionnaires and other documents reasonably requested by the Company. No Person may participate in any underwritten offering pursuant to this Agreement unless that Person (i) agrees to sell that Person's securities on the basis provided in any underwriting arrangements in customary form approved by the Persons entitled under this Agreement to approve those arrangements and (ii) completes and executes all questionnaires, powers of

attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements. No Holder of Registrable Securities included in any underwritten offering shall be required to make any representations or warranties to the Company or the underwriters (other than representations and warranties regarding (A) that Holder's ownership of its Registrable Securities to be sold in the offering, (B) that Holder's power and authority to effect the relevant Transfer and (C) such matters pertaining to compliance with securities laws as may be reasonably requested by the managing underwriter(s)). In addition, no Holder of Registrable Securities included in an underwritten offering will be required to undertake any indemnification obligations to the Company or the underwriters, except to the extent otherwise provided in Section 12. Any liability of any Holder under an underwriting agreement entered into pursuant to this Section 9 shall be limited to liability arising from the breach of its representations and warranties contained in that underwriting agreement and shall be limited to an amount equal to the net amount received by that Holder from the sale of Registrable Securities pursuant to such Registration Statement.

Section 10. Registration Expenses.

(a) Subject to Section 2(c), the Company shall pay directly or promptly reimburse all costs, fees and expenses (other than Selling Expenses) incident to the Company's performance of or compliance with this Agreement, including, (i) all SEC, Financial Industry Regulation Authority and other registration and filing fees; (ii) all fees and expenses associated with filings to be made with, or the listing of any Registrable Securities on, any securities exchange or over-the-counter trading market on which the Registrable Securities are to be listed or quoted; (iii) all fees and expenses of complying with securities and blue sky laws (including fees and disbursements of counsel for the Company in connection with complying with securities and blue sky laws); (iv) all printing, messenger, telephone and delivery expenses (including the cost of distributing Prospectuses in preliminary and final form as well as any supplements to the Prospectuses); (v) all fees and expenses incurred in connection with any "road show" for underwritten offerings, including all costs of travel, lodging and meals; (vi) all transfer agent's and registrar's fees; (vii) all fees and expenses of counsel to the Company; (viii) all fees and expenses of the Company's independent public accountants (including any fees and expenses arising from any special audits or "comfort letters") and any other Persons retained by the Company in connection with or incident to any registration of Registrable Securities pursuant to this Agreement; and (ix) all fees and expenses of underwriters (other than Selling Expenses) customarily paid by the issuers or sellers of securities (all such costs, fees and expenses, "Registration Expenses"). In connection with each registration initiated pursuant to this Agreement (whether a Demand Registration or a Piggyback Registration), the Company shall reimburse the Holders covered by such registration for the reasonable fees and disbursements of one law firm chosen by a majority of the number of shares of Registrable Securities included in the Demand Registration Request, in the event of a Demand Registration, and, in the case of a Piggyback Registration, the Holders of a majority of the number of shares of Registrable Securities included in such registration. Each Holder shall pay the fees and expenses of any additional counsel engaged by that Holder and shall bear its respective Selling Expenses associated with a registered sale of its Registrable Securities pursuant to this Agreement.

(b) The obligation of the Company to bear and pay the Registration Expenses shall apply irrespective of whether a registration, once properly demanded or requested, becomes

effective or is withdrawn or suspended. Notwithstanding the previous sentence, the Registration Expenses for any Registration Statement withdrawn solely at the request of one or more Holder(s) (unless withdrawn following commencement of a Suspension) shall be borne by such Holder(s) in accordance with Section 2(c).

Section 11. Indemnification; Contribution.

(a) The Company shall, to the fullest extent permitted by law, indemnify and hold harmless each Holder of Registrable Securities, any Person who is or might be deemed to be a "controlling person" of the Company or any of its subsidiaries within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each such Person, a "Controlling Person"), their respective direct and indirect general and limited partners, advisory board members, directors, officers, trustees, managers, members, employees, agents, Affiliates and shareholders, and each other Person, if any, who acts on behalf of or controls any such Holder or Controlling Person (each of the foregoing, a "Covered Person") against any losses, claims, actions, damages, liabilities and expenses, joint or several, to which such Covered Person may become subject under the Securities Act, the Exchange Act, any state blue sky securities laws, any equivalent non-U.S. securities laws or otherwise, insofar as such losses, claims, actions, damages, liabilities or expenses arise out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in or incorporated by reference in any Registration Statement, Prospectus, preliminary Prospectus, free writing prospectus (as defined in Rule 405 under the Securities Act or any successor rule to Rule 405) or any amendment or supplement to or any document incorporated by reference in the same, (ii) any omission or alleged omission of a material fact required to be stated in any such Registration Statement, Prospectus, preliminary Prospectus or free writing prospectus or necessary to make the statements made in the same not misleading or (iii) any violation or alleged violation by the Company of the Securities Act or any other similar federal or state securities laws or any rule or regulation promulgated under such federal or state securities laws applicable to the Company and relating to any action or inaction required of the Company in connection with any registration of securities. In addition, the Company shall reimburse each Covered Person for any legal or other expenses reasonably incurred by such Covered Person in connection with investigating, defending or settling any such loss, claim, action, damage or liability. Notwithstanding the previous sentence, the Company shall not be so liable in any such case to the extent that any loss, claim, action, damage, liability or expense arises out of or is based upon any such untrue statement or alleged untrue statement, or omission or alleged omission, made or incorporated by reference in any such Registration Statement, Prospectus, preliminary Prospectus, free writing prospectus or any amendment or supplement to or any document incorporated by reference in the same in reliance upon, and in conformity with, written information prepared and furnished to the Company by such Covered Person expressly for use in such Registration Statement, Prospectus, preliminary Prospectus or free writing prospectus. This indemnity shall be in addition to any liability the Company may otherwise have.

(b) In connection with any registration in which a Holder of Registrable Securities is participating, each such Holder shall furnish to the Company in writing such information as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus. Each Holder shall, to the fullest extent permitted by law, indemnify and hold harmless the Company, its directors and officers, employees, agents and any

Person who is or might be deemed to be a Controlling Person against any losses, claims, actions, damages, liabilities and expenses, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act, any state blue sky securities laws, any equivalent non-U.S. securities laws or otherwise, insofar as such losses, claims, actions, damages, liabilities or expenses arise out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in the Registration Statement, Prospectus, preliminary Prospectus, free writing prospectus (as defined in Rule 405 under the Securities Act or any successor rule to Rule 405) or any amendment of or supplement to the same or (ii) any omission or alleged omission of a material fact required to be stated in such Registration Statement, Prospectus, preliminary Prospectus or free writing prospectus or necessary to make the statements made in the same not misleading, but, in the case of each of clauses (i) and (ii), only to the extent that such untrue statement or alleged untrue statement, or omission or alleged omission, is made in such Registration Statement, Prospectus, preliminary Prospectus, free writing prospectus or any amendment or supplement to the same in reliance upon, and in conformity with, written information prepared and furnished to the Company by such Holder expressly for use in such Registration Statement, Prospectus, preliminary Prospectus or free writing prospectus. In addition, such Holder shall reimburse the Company, its directors and officers, employees, agents and any Person who is or might be deemed to be a Controlling Person for any legal or other expenses reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, action, damage or liability. The obligation to indemnify pursuant to this Section 11(b) shall be individual and several, not joint and several, for each participating Holder and shall be proportional to and shall not exceed an amount equal to the net proceeds (after deducting Selling Expenses) actually received by such Holder in the sale of Registrable Securities to which such Registration Statement or Prospectus relates. The indemnity agreement contained in this Section 11(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, action or proceeding if such settlement is effected without the consent of such Holder. The Company and the Holders of the Registrable Securities hereby acknowledge and agree that, unless otherwise expressly agreed to in writing by such Holders, the only information furnished or to be furnished to the Company for use in any Registration Statement or Prospectus relating to the Registrable Securities or in any amendment, supplement or preliminary materials associated with the same are statements specifically relating to (a) the beneficial ownership of shares of Common Stock by such Holder and its Affiliates, (b) the name and address of such Holder and (c) any additional information about such Holder or the plan of distribution (other than for an underwritten offering) required by law or regulation to be disclosed in any such document. This indemnity shall be in addition to any liability which such Holder may otherwise have.

(c) Any Person entitled to indemnification pursuant to this Agreement shall give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification. Notwithstanding the previous sentence, any failure or delay to so notify the indemnifying party shall not relieve the indemnifying party of its obligations under this Agreement, except to the extent that the indemnifying party is actually and materially prejudiced by reason of such failure or delay. In case a claim or an action that is subject or potentially subject to indemnification pursuant to this Agreement is brought against an indemnified party, the indemnifying party shall be entitled to participate in and shall have the right, exercisable by giving written notice to the indemnified party as promptly as practicable after receipt of written notice from such indemnified party of such claim or action, to assume, at the indemnifying

party's expense, the defense of any such claim or action, with counsel reasonably acceptable to the indemnified party. Notwithstanding the previous sentence, any indemnified party shall continue to be entitled to participate in the defense of such claim or action, with counsel of its own choice, but the indemnifying party shall not be obligated to reimburse the indemnified party for any fees, costs and expenses subsequently incurred by the indemnified party in connection with such defense unless (A) the indemnifying party has agreed in writing to pay such fees, costs and expenses, (B) the indemnifying party has failed to assume the defense of such claim or action within a reasonable time after receipt of notice of such claim or action, (C) having assumed the defense of such claim or action, the indemnifying party fails to employ counsel reasonably acceptable to the indemnified party or to pursue the defense of such claim or action in a reasonably vigorous manner, (D) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest or (E) the indemnified party has reasonably concluded that there may be one or more legal or equitable defenses available to it and/or other any other indemnified party which are different from or additional to those available to the indemnifying party. Subject to the foregoing sentence, no indemnifying party shall, in connection with any one claim or action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general circumstances or allegations, be liable for the fees, costs and expenses of more than one firm of attorneys (in addition to any local counsel) for all indemnified parties. The indemnifying party shall not have the right to settle a claim or action for which any indemnified party is entitled to indemnification pursuant to this Agreement without the consent of the indemnified party, The indemnifying party shall not consent to the entry of any judgment or enter into or agree to any settlement relating to such claim or action unless such judgment or settlement does not impose any admission of wrongdoing or ongoing obligations on any indemnified party and includes as an unconditional term of such judgment or settlement the giving by the claimant or plaintiff in such judgment or settlement to such indemnified party, in form and substance reasonably satisfactory to such indemnified party, of a full and final release from all liability in respect of such claim or action. The indemnifying party shall not be liable under this Agreement for any amount paid or payable or incurred pursuant to or in connection with any judgment entered or settlement effected with the consent of an indemnified party unless the indemnifying party has also consented to such judgment or settlement (such consent not to be unreasonably withheld, conditioned or delayed).

(d) If the indemnification provided for in this Section 11 is held by a court of competent jurisdiction to be unavailable to, or unenforceable by, an indemnified party in respect of any loss, claim, action, damage, liability or expense referred to in this Section 11, then the applicable indemnifying party, in lieu of indemnifying such indemnified party under this Agreement, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, action, damage, liability or expense in such proportion as is appropriate to reflect the relative benefits received by the indemnified party and the indemnifying party. If the allocation provided by the preceding sentence is not permitted by applicable law, the indemnifying party shall contribute to such amount in such proportion as is appropriate to reflect not only the relative benefits referred to in the preceding sentence but also the relative fault of the indemnified party and the indemnifying party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party, on the one hand, and of the indemnified party, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by

the indemnified party, whether the violation of the Securities Act or any other federal or state securities law or rule or regulation promulgated under such federal or state securities law applicable to the Company, and, relating to any action or inaction required of the Company in connection with any registration of securities, whether such action or inaction was perpetrated by the indemnifying party or the indemnified party. The relative fault shall also be determined by reference to the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission or violation. The parties agree that it would not be just and equitable if contribution pursuant to this Agreement were determined by pro rata allocation or by any other method or allocation that does not take into account the equitable considerations referred to in this Section 11(d). In no event shall the amount which a Holder of Registrable Securities may be obligated to contribute pursuant to this Section 11(d) exceed an amount equal to the net proceeds (after deducting Selling Expenses) actually received by such Holder in the sale of Registrable Securities that gives rise to such obligation to contribute. No indemnified party guilty or liable of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(e) The provisions of this Section 11 shall remain in full force and effect regardless of any investigation made by or on behalf of any indemnified party or any officer, director or controlling person of such indemnified party and shall survive the Transfer of any Registrable Securities by any Holder.

Section 12. Rule 144 Compliance and Other Transaction.

(a) With a view to making available to the Holders of Registrable Securities the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration, the Company shall:

(i) make and keep public information available, as those terms are understood and defined in Rule 144;

(ii) use reasonable best efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(iii) furnish to any Holder of Registrable Securities, promptly upon request, a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and of the Securities Act and the Exchange Act.

(b) If requested by any Holder in connection with any transaction involving any Registrable Securities (including any sale or other transfer of such securities without registration under the Securities Act, any margin loan with respect to such securities and any pledge of such securities), the Company agrees to provide such Golder with customary and assistance to facilitate such transaction or similar transaction, including, without limitation, (i) such action as such Holder may reasonably request from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act and (ii) entering into an

"issuer's agreement" in connection with any margin loan with respect to such securities in customary form.

(c) If any Holder (and/or any of its Affiliates) seeks to effectuate an in-kind distribution of all or part of their Registrable Securities to their respective direct or indirect equityholders, the Company will, subject to any applicable lock-ups, work with the foregoing Persons to facilitate such in-kind distribution in the manner reasonably requested and consistent with the Company's obligations under the Securities Act.

(d) The Company shall not grant any shelf, demand, piggyback or incidental registration rights that are senior to or inconsistent with the rights granted to the Holders hereunder to any other Person without the prior written consent of the Holders.

Section 13. Miscellaneous.

(a) No Inconsistent Agreements. The Company represents and warrants that it has not entered into, and agrees that it will not enter into, any agreement with respect to its securities that violates or subordinates or is otherwise inconsistent with the rights granted to the Holders of Registrable Securities under this Agreement.

(b) Adjustments Affecting Registrable Securities. The Company shall not take any action, or permit any change to occur, with respect to its Equity Securities which would materially and adversely affect the ability of the Holders of Registrable Securities to include such Registrable Securities in a registration undertaken pursuant to this Agreement or which would materially and adversely affect the marketability of such Registrable Securities in any such registration (including effecting a stock split or a combination of shares that would reasonably be expected to have such an effect).

(c) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns and transferees. Other than with respect to Transfers of Equity Securities to Permitted Transferees, neither this Agreement nor any right, benefit, remedy, obligation or liability arising under this Agreement may be assigned by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no effect, except that the Company may assign this Agreement at any time in connection with a sale or acquisition of the Company, whether by merger, consolidation, sale of all or substantially all of the Company's assets, or similar transaction, without the consent of the Holders, so long as the successor or acquiring Person agrees in writing to assume all of the Company's rights and obligations under this Agreement. The Company shall not, directly or indirectly, (x) enter into any merger, consolidation, recapitalization, combination of shares or other reorganization in which the Company shall not be the surviving corporation or (y) transfer or agree to transfer all or substantially all the Company's assets, unless prior to such merger, consolidation, reorganization or asset transfer, the surviving corporation or the transferee, as applicable, shall have agreed in writing to assume the obligations of the Company under this Agreement, and for that purpose references hereunder to "Registrable Securities" shall be deemed to include the securities which the Holders would be entitled to receive in exchange for

Registrable Securities, pursuant to any such merger, consolidation, reorganization or asset transfer.

(d) No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties and their respective successors and permitted assigns and transferees and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement. Notwithstanding the previous sentence, the parties acknowledge that the Persons set forth in Section 11 shall be express third-party beneficiaries of the obligations of the parties set forth in Section 11.

(e) Remedies; Specific Performance. In the event of a breach or a threatened breach by any party to this Agreement of its obligations under this Agreement, any party injured or to be injured by such breach shall be entitled to specific performance of its rights under this Agreement or to injunctive relief, in addition to being entitled to exercise all rights provided in this Agreement and granted by law, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense or objection in any action for specific performance or injunctive relief for which a remedy at law would be adequate is hereby waived.

(f) No Waivers. No failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver of such right, power or privilege nor shall any single or partial exercise of such right, power or privilege preclude any other or further exercise of the same or the exercise of any other right, power or privilege.

(g) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of New York.

(h) Jurisdiction and Venue. The parties irrevocably submit to the jurisdiction of the courts of the State of New York or, in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, in the United States District Court for the Southern District of New York in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement of this Agreement or of any such document, that it is not subject to such jurisdiction or that such action, suit or proceeding may not be brought or is not maintainable in the courts of the State of New York, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, in the United States District Court for the Southern District of New York, or that this Agreement or any such document may not be enforced in or by such courts, and the parties irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in the courts of the State of New York, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, in the United States District Court for the Southern District of New York. The parties hereby consent to and grant the courts of the State of New York, or in the event (but only in the event)

that such court does not have subject matter jurisdiction over such action or proceeding, the United States District Court for the Southern District of New York, jurisdiction over the person of such parties and, to the extent permitted by law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 13(i) or in such other manner as may be permitted by law shall be valid and sufficient service of process. EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHTS TO TRIAL BY JURY IN CONNECTION WITH ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(i) Notices. Any notice, demand, request, waiver, or other communication under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service, if personally served or sent by facsimile; on the business day after such communication is delivered to a courier or mailed by express mail, if sent by courier delivery service or express mail for next day delivery; and on the third day after mailing, if mailed to the party to whom notice is to be given by first class mail, registered, return receipt requested, postage prepaid and addressed as follows:

If to the Company:

Resolute Holdings Management, Inc.
445 Park Avenue, Suite 15F
New York, NY 10022
Attention: Thomas R. Knott
E-Mail:

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

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attention: John C. Kennedy
Timothy Cruickshank
Phone: 212-373-3025
212-373-3415
Facsimile: 212-492-0025
212-492-0415
E-Mail: jkennedy@paulweiss.com
tcruickshank@paulweiss.com

If to Resolute Compo Holdings:

c/o Resolute Compo Holdings LLC
445 Park Avenue, Suite 15F
New York, NY 10022

Attention: David M. Cote
E-Mail:

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

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attention: John C. Kennedy
Timothy Cruickshank
Phone: 212-373-3025
212-373-3415
Facsimile: 212-492-0025
212-492-0415
E-Mail: jkennedy@paulweiss.com
tcruickshank@paulweiss.com

If to any other Holder, to such address as is designated by such Holder in the counterpart to this Agreement in the form attached as Exhibit A.

(j) Headings. The headings and other captions in this Agreement are for convenience and reference only and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(k) Counterparts. This Agreement may be signed in any number of identical counterparts, each of which shall be deemed an original instrument (including signatures delivered via facsimile or electronic mail) and all of which together shall constitute one and the same instrument. The parties may deliver this Agreement by facsimile or by electronic mail and each party shall be permitted to rely upon the signatures so transmitted to the same extent and effect as if they were original signatures.

(l) Entire Agreement. This Agreement contains the entire agreement among the parties with respect to the subject matter of this Agreement and supersedes and replaces all other prior agreements, written or oral, among the parties with respect to the subject matter of this Agreement.

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

(n) Amendments. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions of this Agreement may not be given, without the prior written consent of the Company and each Holder affected thereby.

(o) Further Assurances. Each party to this Agreement shall cooperate and take such action as may be reasonably requested by another party to this Agreement in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

(p) Termination. This Agreement shall terminate with respect to any Holder upon such time as such Holder ceases to hold or beneficially own any Registrable Securities. Notwithstanding the previous sentence, the provisions of Sections 9, 11 and this Section 13 shall survive termination.

[*Signature Page Follows*]

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

RESOLUTE HOLDINGS MANAGEMENT, INC.

By: _____
Name: Thomas R. Knott
Title: Chief Executive Officer

RESOLUTE COMPO HOLDINGS LLC

By: Tungsten 2024, LLC, its managing member

By: _____
Name: John D. Cote
Title: Manager

[*Signature page to Registration Rights Agreement*]

Exhibit A

Form of Counterpart

[NAME OF TRANSFEREE OR OTHER HOLDER]

By: _____
Name:
Title:

Address for Notices:

Attention:
Phone:
Facsimile:
E-Mail:

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

Attention:
Phone:
Facsimile:
E-Mail:

Exhibit 10.3

RESOLUTE HOLDINGS MANAGEMENT, INC.
2025 Omnibus Incentive Plan

1. Purpose. The purpose of the Resolute Holdings Management, Inc. 2025 Omnibus Incentive Plan (as amended from time to time, the "***Plan***") is to (i) attract and retain individuals to serve as employees, advisors, consultants or Directors of Resolute Holdings Management, Inc., a Delaware corporation (together with its Subsidiaries, whether existing or thereafter acquired or formed, and any and all successor entities, the "***Company***") and its Affiliates by providing them the opportunity to acquire an equity interest in the Company or other incentive compensation and (ii) align the interests of the foregoing with those of the Company's stockholders.

2. Effective Date; Duration. The effective date of the Plan is [·], 2025 (the "***Effective Date***"), which is the date that the Plan was approved by the sole stockholder of the Company. The expiration date of the Plan, on and after which date no Awards may be granted under the Plan, shall be the tenth anniversary of the Effective Date (the "***Expiration Date***"); provided, however, that such expiration shall not affect Awards then outstanding, and the terms and conditions of the Plan shall continue to apply to such Awards.

3. Definitions. The following definitions shall apply throughout the Plan:

(a) "***Administrator***" means the Board or any person(s) or body to which it has delegated all or any portion of its responsibilities and powers, pursuant to Section 4 of the Plan.

(b) "***Affiliate***" means (i) any person or entity that directly or indirectly controls, is controlled by or is under common control with the Company and/or (ii) to the extent provided by the Administrator, any person or entity in which the Company has a significant interest. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as applied to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting or other securities, by contract or otherwise.

(c) "***Award***" means, individually or collectively, any Incentive Stock Option, Nonqualified Stock Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Other Stock-Based Award or Other Cash-Based Award granted under the Plan.

(d) "***Award Agreement***" means any agreement (whether in written or electronic form) or other instrument or document evidencing any Award (other than an Other Cash-Based Award) granted under the Plan (including, in each case, in electronic form), which may, but need not, be executed or acknowledged by a Participant (as determined by the Administrator).

(e) "***Beneficial Ownership***" has the meaning set forth in Rule 13d-3 promulgated under Section 13 of the Exchange Act.

(f) "***Board***" means the Board of Directors of the Company.

(g) "***Cause***" has the meaning given to that term in any Service Agreement between the Company and the Participant, or if no such agreement exists or if such term is not defined therein, and unless otherwise defined in the Award Agreement, Cause means a finding by the Administrator that the Participant (i) has breached his or her employment or service contract with the Company, (ii) has engaged in disloyalty to the Company, including, without limitation, fraud, embezzlement, theft, commission of a felony or proven dishonesty, (iii) has disclosed trade secrets or confidential information of the Company to Persons not entitled to receive such information, (iv) has breached any written non-competition, non-solicitation, invention assignment or confidentiality agreement between the Participant and the Company or (v) has engaged in such other behavior detrimental to the interests of the Company as the Administrator determines.

(h) "***Change in Control"*** means, unless the applicable Award Agreement or the Administrator provides otherwise, the first to occur of any of the following events:

(i) the acquisition by any Person or related "group" (as such term is used in Section 13(d) and Section 14(d) of the Exchange Act) of Persons, or Persons acting jointly or in concert, of Beneficial Ownership (including control or direction) of 50% or more (on a fully diluted basis) of either (A) the then-outstanding Shares, including Shares issuable upon the exercise of options or warrants, the conversion of convertible stock or debt, and the exercise of any similar right to acquire such Shares or (B) the total voting power of the then-outstanding voting securities of the Company entitled to vote in the election of Directors (the "***Outstanding Company Voting Securities***"), but, in each case, excluding (x) any such acquisition by the Company, the Resolute Stockholder, any Permitted Transferee or any of their respective Affiliates or by any employee benefit plan sponsored or maintained by the Company or any of its Affiliates and (y) a Non-Qualifying Transaction (as defined in clause (iv) of this definition, modifying such definition for purposes of this clause (i) by including an acquisition of securities as an applicable transaction alongside "Business Combination" or "Sale");

(ii) a change in the composition of the Board such that members of the Board during any consecutive 24-month period (the "***Incumbent Directors***") cease to constitute a majority of the Board. Any person becoming a Director through election or nomination for election approved by a valid vote of the Incumbent Directors shall be deemed an Incumbent Director; provided, however, that no individual becoming a Director as a result of an actual or threatened election contest, as such terms are used in Rule 14a-12 of Regulation 14A promulgated under the Exchange Act, or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board, shall be deemed an Incumbent Director;

(iii) the approval by the stockholders of the Company of a plan of complete dissolution or liquidation of the Company; or

(iv) the consummation of (I) a reorganization, recapitalization, merger, amalgamation, consolidation, statutory share exchange or similar form of corporate transaction involving (x) the Company or (y) any of its Subsidiaries, but in the case of this clause (y) only if Outstanding Company Voting Securities are issued or issuable (a "***Business Combination***"), or (II) a sale, transfer or other disposition of all or substantially all of the business or assets of the Company to an entity that is not an Affiliate of the Company (a "***Sale***"), unless immediately following such Business Combination or Sale: (A) more than 50% of the total voting power of the entity resulting from such Business Combination or the entity that acquired all or substantially all of the business or assets of the Company in such Sale (in either case, the "***Surviving Company***"), or the ultimate parent entity that has Beneficial Ownership of sufficient voting power to elect a majority of the board of directors (or analogous governing body) of the Surviving Company (the "***Parent Company***"), is represented by the Outstanding Company Voting Securities that were outstanding immediately prior to such Business Combination or Sale (or, if applicable, is represented by Shares into which the Outstanding Company Voting Securities were converted pursuant to such Business Combination or Sale), and such voting power among the holders thereof is in substantially the same proportion as the voting power of the Outstanding Company Voting Securities among the holders thereof immediately prior to the Business Combination or Sale, (B) no Person (other than any employee benefit plan sponsored or maintained by the Surviving Company or the Parent Company) is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect members of the board of directors (or the analogous governing body) of the Parent Company (or, if there is no Parent Company, the Surviving Company) and (C) at least a majority of the members of the board of directors (or the analogous governing body) of the Parent Company (or, if there is no Parent Company, the Surviving Company) following the consummation of the Business Combination or Sale were Board members at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination or Sale (any Business Combination or Sale which satisfies all of the criteria specified in (A), (B) and (C) of this clause (iv) will be deemed to be a "***Non-Qualifying Transaction***").

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred if immediately after the occurrence of any of the events described in clauses (i) – (iv) above, the Resolute Stockholder's aggregate Beneficial Ownership of the total voting power of the Company or any of its successors exceeds 50%.

(i) "***Code***" means the U.S. Internal Revenue Code of 1986, as amended, and any successor thereto. References to any section of the Code shall be deemed to include any regulations or other interpretative guidance under such section, and any amendments or successors thereto.

(j) "***Common Stock***" means the common stock of the Company, par value of $0.0001 per share (and any stock or other securities into which such common stock may be converted or into which it may be exchanged).

(k) "***Company***" has the meaning set forth in Section 1 of the Plan.

(l) "***Deferred Award***" means an Award granted pursuant to Section 13 of the Plan.

(m) "***Director***" means any member of the Company's Board.

(n) "***Disability***" means, unless otherwise provided in an Award Agreement, a determination that a Participant is disabled in accordance with a long-term disability insurance program maintained by the Company or a determination by the U.S. Social Security Administration that the Participant is totally disabled.

(o) "***dollar****" or* "***$***" shall refer to United States dollars.

(p) "***Effective Date***" has the meaning set forth in Section 2 of the Plan.

(q) "***Eligible Director***" means a Director who satisfies the conditions set forth in Section 4(a) of the Plan.

(r) "***Eligible Person***" means any (i) individual providing Services to the Company or an Affiliate, (ii) consultant or advisor to the Company or an Affiliate who may be offered securities registrable on Form S-8 under the Securities Act, or (iii) prospective employee, director, officer, consultant or advisor who has accepted an offer of Service from the Company or an Affiliate (and would satisfy the provisions of clause (i) or (ii) above once such individual begins providing Services to the Company or an Affiliate).

(s) "***Exchange Act***" means the U.S. Securities Exchange Act of 1934, as amended, and any successor thereto. References to any section of (or rule promulgated under) the Exchange Act shall be deemed to include any rules, regulations or other interpretative guidance under such section or rule, and any amendments or successors thereto.

(t) "***Expiration Date***" has the meaning set forth in Section 2 of the Plan.

(u) "***Fair Market Value***" means, (i) with respect to a Share on a given date, (x) if the Shares are listed on a national securities exchange, the closing sales price of a Share reported on such exchange on such date or, if there is no such sale on that date, then on the last preceding date on which such a sale was reported or (y) if the Shares are not listed on any national securities exchange, the amount determined by the Administrator in good faith to be the fair market value of a Share or (ii) with respect to any other property on any given date, the amount determined by the Administrator in good faith to be the fair market value of such other property as of such date.

(v) "***Immediate Family Members***" has the meaning set forth in Section 15(b)(ii) of the Plan.

(w) "***Incentive Stock Option***" means an Option that is designated by the Administrator as an incentive stock option as described in Section 422 of the Code and otherwise meets the requirements set forth in the Plan.

(x) "***Intrinsic Value***" with respect to an Option or SAR means (i) the excess, if any, of the price or implied price per Share in a Change in Control or other event over (ii) the exercise or hurdle price of such Award multiplied by (iii) the number of Shares covered by such Award.

(y) "***Indemnifiable Person***" has the meaning set forth in Section 4(e) of the Plan.

(z) "***NASDAQ***" means Nasdaq Global Market.

(aa) "***Nonqualified Stock Option***" means an Option that is not designated by the Administrator as an Incentive Stock Option.

(bb) "***Option***" means an Award granted under Section 7 of the Plan.

(cc) "***Option Period***" has the meaning set forth in Section 7 of the Plan.

(dd) "***Other Cash-Based Award***" means an Award granted under Section 10 of the Plan that is denominated and/or payable in cash, including cash awarded as a bonus or upon the attainment of specific performance criteria or as otherwise permitted by the Plan or as contemplated by the Administrator.

(ee) "***Other Stock-Based Award***" means an Award granted under Section 10 of the Plan.

(ff) "***Participant***" has the meaning set forth in Section 6 of the Plan.

(gg) "***Performance Conditions***" means performance conditions determined by the Administrator in its sole discretion and set forth in an Award Agreement. The satisfaction of Performance Conditions shall be subject to certification by the Administrator. The Administrator has the authority to take appropriate action with respect to the Performance Conditions (including, without limitation, making adjustments to the Performance Conditions or determining the satisfaction of the Performance Conditions in connection with a corporate transaction); provided that any such action does not otherwise violate the terms of the Plan.

(hh) "***Permitted Transferee***" has the meaning set forth in Section 15(b)(ii) of the Plan.

(ii) "***Person***" has the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Affiliates, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Shares of the Company.

(jj) "***Released Unit***" has the meaning set forth in Section 9(f)(ii) of the Plan.

(kk) "***Resolute Stockholder***" means, collectively, Resolute Compo Holdings LLC, Resolute ManCo Holdings LLC, any of their respective Affiliates and any of their respective members or other equityholders.

(ll) "***Restricted Period***" has the meaning set forth in Section 9(a) of the Plan.

(mm) "***Restricted Stock***" means any Share subject to certain specified restrictions and forfeiture conditions, granted pursuant to Section 9 of the Plan.

(nn) "***Restricted Stock Unit***" means a contractual right granted pursuant to Section 9 of the Plan that is denominated in Shares. Each Restricted Stock Unit represents an unfunded and unsecured promise to deliver Shares, cash, other securities or other property, or a combination thereof, subject to certain specified restrictions, granted pursuant to Section 9 of the Plan.

(oo) "***SAR Period***" has the meaning set forth in Section 8(c) of the Plan.

(pp) "***Securities Act***" means the U.S. Securities Act of 1933, as amended, and any successor thereto. Reference in the Plan to any section of (or rule promulgated under) the Securities Act shall be deemed to include any rules, regulations or other interpretative guidance under such section or rule, and any amendments or successor provisions to such section, rules, regulations or other interpretive guidance.

(qq) "***Service***" and "***termination of Service***" and similar references mean, respectively, employment with or services for, and termination or cessation of employment with or services for, the Company or an Affiliate, including services as a member of the Board.

(rr) "***Service Agreement***" means any employment, severance, consulting or similar agreement (including any offer letter) between the Company or an Affiliate and a Participant.

(ss) "***Share***" means a share of Common Stock, par value of $0.0001 per share.

(tt) "***Stock Appreciation Right***" or "***SAR***" means an Award granted under Section 8 of the Plan.

(uu) "***Subsidiary***" means (i) any corporation or other entity a majority of whose outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company and (ii) any other entity which the Administrator determines should be treated as a "Subsidiary."

(vv) "***Substitute Award***" means an Award granted under the Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock; provided, however, that in no event shall the term "Substitute Award" be construed to refer to an award made in connection with the cancellation and repricing of an Option or Stock Appreciation Right.

4. Administration.

(a) Authority of the Administrator. The Administrator shall administer the Plan, and shall have the sole and plenary authority to (i) designate Participants, (ii) determine the type, size, and terms and conditions of Awards to be granted and to grant such Awards (including Substitute Awards), (iii) determine the method by which an Award may be settled, exercised, canceled, forfeited, suspended or repurchased by the Company, (iv) determine the circumstances under which the delivery of cash, property or other amounts payable with respect to an Award may be deferred, either automatically or at the Participant's or Administrator's election, (v) interpret, administer, reconcile any inconsistency in, correct any defect in and supply any omission in the Plan and any Award granted under the Plan, (vi) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Administrator shall deem appropriate for the proper administration of the Plan, (vii) accelerate or modify the vesting, delivery or exercisability of, or payment for or lapse of restrictions on, or waive any condition in respect of, Awards and (viii) make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the Plan or to comply with any applicable law or accounting standard. To the extent determined by the Board and/or required to comply with the provisions of Rule 16b-3 promulgated under the Exchange Act (if applicable and if the Board is not acting as the Administrator under the Plan), or any exception or exemption under applicable securities laws or the applicable rules of the NASDAQ or any other securities exchange or inter-dealer quotation service on which the Shares are listed or quoted, as applicable, it is intended that each member of the Administrator shall, at the time such member takes any action with respect to an Award under the Plan, be (1) a "non-employee director" within the meaning of Rule 16b-3 promulgated under the Exchange Act and/or (2) an "independent director" under the rules of the NASDAQ or any other securities exchange or inter-dealer quotation service on which the Shares are listed or quoted, or a person meeting any similar requirement under any successor rule or regulation ("***Eligible Director***"). However, the fact that an Administrator member shall fail to qualify as an Eligible Director shall not invalidate any Award granted or action taken by the Administrator that is otherwise validly granted or taken under the Plan.

(b) Delegation. The Board may delegate all or any portion of its responsibilities and powers to any person(s) or body selected by it, to the extent permitted by applicable law, regulations, the NASDAQ listing guidelines or the rules of any other securities exchange or inter-dealer quotation service on which the Shares are listed or quoted. To the extent permitted by applicable law, regulations, the NASDAQ listing guidelines or the rules of any other securities exchange or inter-dealer quotation service on which the Shares are listed or quoted, including Section 152(b) and 157(c) of the Delaware General Corporation Law, as applicable, the Board may delegate to any person(s) or body selected by it the authority to grant Options, SARs, Restricted Stock Units or other Awards in the form of rights to Shares. Any such delegation may be revoked by the Board at any time.

(c) International Participants. As further set forth in Section 15(g) of the Plan, the Administrator shall have the authority to amend the Plan and Awards to the extent necessary to permit participation in the Plan by Eligible Persons who are located outside of the United States or are subject to laws outside of the United States on terms and conditions comparable to those afforded to Eligible Persons located within the United States; provided, however, that no such action shall be taken without stockholder approval if such approval is required by applicable securities laws or regulations, the NASDAQ listing guidelines or the rules of any other securities exchange or inter-dealer quotation service on which the Shares are listed or quoted.

(d) Decisions Binding. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions regarding the Plan or any Award or any documents evidencing Awards granted pursuant to the Plan shall be within the sole discretion of the Administrator, may be made at any time and shall be final, conclusive and binding upon all persons and entities, including, without limitation, the Company, any Affiliate, any Participant, any holder or beneficiary of any Award and any stockholder of the Company.

(e) Limitation of Liability. No member of the Board or the Administrator, nor any employee or agent of the Company (each such person, an "***Indemnifiable Person***"), shall be liable for any action taken or omitted to be taken or any determination made with respect to the Plan or any Award hereunder (unless constituting fraud or a willful criminal act or willful criminal omission). Each Indemnifiable Person shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Indemnifiable Person in connection with or resulting from any action, suit or proceeding to which such Indemnifiable Person may be involved as a party, witness or otherwise by reason of any action taken or omitted to be taken or determination made under the Plan or any Award Agreement and against and from any and all amounts paid by such Indemnifiable Person with the Company's approval (not to be unreasonably withheld), in settlement thereof, or paid by such Indemnifiable Person in satisfaction of any judgment in any such action, suit or proceeding against such Indemnifiable Person, and the Company shall advance to such Indemnifiable Person any such expenses promptly upon written request (which request shall include an undertaking by the Indemnifiable Person to repay the amount of such advance if it shall ultimately be determined as provided below that the Indemnifiable Person is not entitled to be indemnified); provided that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding, and once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of recognized standing of the Company's choice. The foregoing right of indemnification shall not be available to an Indemnifiable Person to the extent that a final judgment or other final adjudication (in either case not subject to further appeal) binding upon such Indemnifiable Person determines that the acts or omissions or determinations of such Indemnifiable Person giving rise to the indemnification claim resulted from such Indemnifiable Person's fraud or willful criminal act or willful criminal omission or that such right of indemnification is otherwise prohibited by law or by the Company's certificate of incorporation or bylaws. The foregoing right of indemnification shall not be exclusive of or otherwise supersede any other rights of indemnification to which such Indemnifiable Persons may be entitled under the Company's certificate of incorporation or by-laws, as a matter of law, individual indemnification agreement or contract, or otherwise, or any other power that the Company may have to indemnify such Indemnifiable Persons or hold them harmless.

(f) Board. The Board may at any time and from time to time grant Awards and administer the Plan with respect to such Awards. In any such case, the Board shall have all the authority granted to the Administrator under the Plan.

5. Grant of Awards; Available Shares for Awards; Limitations.

(a) Awards. The Administrator may grant Awards to one or more Eligible Persons. All Awards granted under the Plan shall vest and, if applicable, become exercisable in such manner and on such date or dates or upon such event or events as determined by the Administrator and as set forth in an Award Agreement, including, without limitation, attainment of Performance Conditions.

(b) Available Shares. Subject to Section 11 of the Plan and subsection (e) below, the maximum number of Shares available for issuance under the Plan shall not exceed [·], plus the number of Shares set forth in the next sentence (the "***Share Pool***") on a fully diluted basis assuming that all shares available for issuance under the Plan are issued and outstanding, or the equivalent of such number of Shares after the Administrator, in its sole discretion, has interpreted the effect of any stock split, stock dividend, combination, recapitalization or similar transaction. The Share Pool will automatically increase each fiscal year following the Effective Date beginning with fiscal year 2026 and ending with fiscal year 2035 by the lesser of (i) 5% of the total number of Shares outstanding on the last day of the immediately preceding fiscal year on a fully diluted basis assuming that all shares available for issuance under the Plan are issued and outstanding or (ii) such number of Shares determined by the Administrator. The increase shall occur on the first day of each such fiscal year or another day selected by the Administrator during such fiscal year.

(c) Incentive Stock Options Limit. The maximum number of Shares that may be delivered pursuant to the exercise of Incentive Stock Options granted under the Plan shall not exceed [·].

(d) Director Compensation Limit. The maximum amount (based on the fair value of Shares underlying Awards on the grant date as determined in accordance with applicable financial accounting rules) of Awards that may be granted in any single fiscal year to any non-employee member of the Board, taken together with any cash fees paid to such non-employee member of the Board during such fiscal year, shall be $750,000, increased to $1,000,000 in the year in which the non-employee member initially joins the Board. For the avoidance of doubt, in a year in which a non-employee member of the Board serves as an employee or consultant (including as an interim officer), such limit shall not apply to compensation approved to be paid to such non-employee member of the Board by the other non-employee members of the Board in respect of such Service as an employee or consultant.

(e) Share Counting. The Share Pool shall be reduced by the number of Shares delivered for each Award granted under the Plan that is valued by reference to a Share; provided that Awards that are valued by reference to Shares but are required to or may be paid in cash pursuant to their terms shall not reduce the Share Pool. If and to the extent that Awards terminate, expire or are cash settled, canceled, forfeited, exchanged or surrendered without having been exercised, vested or settled, the Shares subject to such Awards shall again be available for Awards under the Share Pool. In addition, any (i) Shares tendered by Participants, or withheld by the Company, as full or partial payment to the Company upon the exercise of Options granted under the Plan; (ii) Shares reserved for issuance upon the grant of Stock Appreciation Rights, to the extent that the number of reserved Shares exceeds the number of Shares actually issued upon the exercise of the Stock Appreciation Rights; and (iii) Shares withheld by, or otherwise remitted to, the Company to satisfy a Participant's tax withholding obligations upon the exercise of Options or SARs granted under the Plan, or upon the lapse of restrictions on, or settlement of, an Award, shall again be available for Awards under the Share Pool.

(f) Source of Shares. Shares delivered by the Company in settlement of Awards may be authorized and unissued Shares, Shares held in the treasury of the Company, Shares purchased on the open market or by private purchase, or a combination of the foregoing.

(g) Substitute Awards. Substitute Awards shall not reduce the Shares authorized for grant under the Plan. Additionally, in the event that a company acquired by the Company or any Affiliate or with which the Company or any Affiliate combines has shares available under a pre-existing plan approved by stockholders and not approved in contemplation or such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan; provided that Awards using such available shares shall not be made after the date on which awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not providing Services to the Company immediately prior to such acquisition or combination. Notwithstanding the foregoing, Substitute Awards issued or intended as "incentive stock options" within the meaning of Section 422 of the Code shall be counted against the aggregate number of Incentive Stock Options available under the Plan.

6. Eligibility. Participation shall be for Eligible Persons who have been selected by the Administrator to receive grants under the Plan (each such Eligible Person, a "***Participant***"). Holders of options and other types of awards granted by a company acquired by the Company or with which the Company combines are eligible for grants of Substitute Awards under the Plan to the extent permitted under applicable regulations of any stock exchange on which the Company is listed.

7. Options.

(a) Generally. Each Option shall be subject to the conditions set forth in the Plan and in the applicable Award Agreement. All Options granted under the Plan shall be Nonqualified Stock Options unless the Award Agreement expressly states otherwise. Incentive Stock Options shall be granted only subject to and in compliance with Section 422 of the Code, and only to Eligible Persons who are employees of the Company and its Affiliates and who are eligible to receive an Incentive Stock Option under the Code. If for any reason an Option intended to be an Incentive Stock Option (or any portion thereof) shall not qualify as an Incentive Stock Option, then, to the extent of such nonqualification, such Option or portion thereof shall be regarded as a Nonqualified Stock Option properly granted under the Plan.

(b) Exercise Price. The exercise price per Share for each Option, which is the purchase price per Share underlying the Option, shall be determined by the Administrator at the time of grant and, except in the case of a Substitute Award, such exercise price shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such Option. Any modification to the exercise price of an outstanding Option shall be subject to the prohibition on repricing set forth in Section 14(b).

(c) Vesting, Exercise and Expiration. The Administrator shall determine the manner and timing of vesting, exercise and expiration of Options. The period between the date of grant and the scheduled expiration date of the Option ("***Option Period***") shall not exceed ten years, unless the Option Period (other than in the case of an Incentive Stock Option) would expire at a time when trading in the Shares is prohibited by the Company's insider-trading policy or a Company-imposed "blackout period," in which case, unless otherwise provided by the Administrator, the Option Period may be extended automatically until the 30th day following the expiration of such prohibition (so long as such extension shall not violate Section 409A of the Code) or the Administrator may provide for the automatic exercise of such Option prior to the expiration of the Option Period. The Administrator may accelerate the vesting and/or exercisability of any Option, which acceleration shall not affect any other terms and conditions of such Option.

(d) Method of Exercise and Form of Payment. No Shares shall be delivered pursuant to any exercise of an Option until the Participant has paid the exercise price to the Company in full, and an amount equal to any applicable U.S. federal, state and local income and employment taxes and non-U.S. income and employment taxes, social contributions and any other tax-related items required to be withheld. Options may be exercised by delivery of written or electronic notice of exercise to the Company or its designee (including a third-party administrator) in accordance with the terms of the Option and the Award Agreement, accompanied by payment of the exercise price and such applicable taxes. The exercise price and delivery of all applicable required withholding taxes shall be payable (i) in cash or by check or cash equivalent or (ii) by such other method or methods as the Administrator may permit, in its sole discretion, including without limitation: (A) in the form of other property (including previously owned Shares; provided that such Shares are not subject to any pledge or other security interest) having a Fair Market Value on the date of exercise equal to the exercise price and all applicable required withholding taxes; (B) if there is a public market for the Shares at such time, by means of a broker-assisted "cashless exercise" pursuant to which the Company or its designee (including third-party administrators) is delivered a copy of irrevocable instructions to a stockbroker to sell the Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the exercise price and all applicable required withholding taxes against delivery of the Shares to settle the applicable trade; or (C) by means of a "net exercise" procedure effected by withholding the minimum number of Shares otherwise deliverable in respect of an Option that are needed to pay for the exercise price and all applicable required withholding taxes. In all events of cashless or net exercise, any fractional Shares shall be settled in cash.

(e) Notification upon Disqualifying Disposition of an Incentive Stock Option. Each Participant awarded an Incentive Stock Option under the Plan shall notify the Company in writing immediately after the date on which the Participant makes a disqualifying disposition of any Share acquired pursuant to the exercise of such Incentive Stock Option. A disqualifying disposition is any disposition (including, without limitation, any sale) of such Share before the later of (i) two years after the date of grant of the Incentive Stock Option and (ii) one year after the date of exercise of the Incentive Stock Option. The Company may, if determined by the Administrator and in accordance with procedures established by the Administrator, retain possession, as agent for the applicable Participant, of any Share acquired pursuant to the exercise of an Incentive Stock Option until the end of the period described in the preceding sentence, subject to complying with any instruction from such Participant as to the sale of such Share.

(f) Compliance with Laws. Notwithstanding the foregoing, in no event shall the Participant be permitted to exercise an Option in a manner that the Administrator determines would violate the Sarbanes-Oxley Act of 2002, or any other applicable law or the applicable rules and regulations of the Securities and Exchange Commission or the applicable rules and regulations of any securities exchange or inter-dealer quotation service on which the Shares of the Company are listed or quoted.

(g) Incentive Stock Option Grants to 10% Stockholders. Notwithstanding anything to the contrary in this Section 7, if an Incentive Stock Option is granted to a Participant who owns stock representing more than 10% of the voting power of all classes of stock of the Company or of a parent or subsidiary of the Company (within the meaning of Sections 424(e) and 424(f) of the Code), the Option Period shall not exceed five years from the date of grant of such Option and the exercise price shall be at least 110% of the Fair Market Value (on the date of grant) of the shares subject to the Option.

(h) $100,000 Per Year Limitation for Incentive Stock Options. To the extent that the aggregate Fair Market Value (determined as of the date of grant) of Shares for which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company) exceeds $100,000, such excess Incentive Stock Options shall be treated as Nonqualified Stock Options.

8. Stock Appreciation Rights (SARs).

(a) Generally. Each SAR shall be subject to the conditions set forth in the Plan and in the applicable Award Agreement.

(b) Exercise Price. The exercise or hurdle price per Share for each SAR shall be determined by the Administrator at the time of grant and, except in the case of a Substitute Award, such exercise or hurdle price shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such SAR. Any modification to the exercise or hurdle price of an outstanding SAR shall be subject to the prohibition on repricing set forth in Section 14(b).

(c) Vesting, Exercise and Expiration. The Administrator shall determine the manner and timing of vesting, exercise and expiration of SARs. The period between the date of grant and the scheduled expiration of the SAR (the "***SAR Period***") shall not exceed ten years, unless the SAR Period would expire at a time when trading in the Shares is prohibited by the Company's insider-trading policy or a Company-imposed "blackout period," in which case, unless otherwise provided by the Administrator, the SAR Period may be extended automatically until the 30th day following the expiration of such prohibition (so long as such extension shall not violate Section 409A of the Code) or the Administrator may provide for the automatic exercise of such SAR prior to the expiration of the SAR Period. The Administrator may accelerate the vesting and/or exercisability of any SAR, which acceleration shall not affect any other terms and conditions of such SAR.

(d) Method of Exercise and Form of Payment. SARs may be exercised by delivery of written or electronic notice of exercise to the Company or its designee (including a third-party administrator) in accordance with the terms of the SAR and the Award Agreement, specifying the number of SARs to be exercised and the date as of which such SARs were awarded. Upon the exercise of a SAR, the Company shall pay to the holder thereof an amount equal to the number of Shares subject to the SAR that are being exercised multiplied by the excess, if any, of the Fair Market Value of one Share on the exercise date over the exercise price, less an amount equal to any applicable U.S. federal, state and local income and employment taxes and non-U.S. income and employment taxes, social contributions and any other tax-related items required to be withheld. The Company shall pay such amount in cash, in Shares valued at Fair Market Value as determined on the date of exercise, or any combination thereof, as determined by the Administrator. Any fractional Shares shall be settled in cash.

9. Restricted Stock and Restricted Stock Units.

(a) Generally. Each Restricted Stock and Restricted Stock Unit shall be subject to the conditions set forth in the Plan and the applicable Award Agreement. The Administrator shall establish restrictions applicable to Restricted Stock and Restricted Stock Units, including the period during which the restrictions shall apply (the "***Restricted Period***"), and the time or times at which Restricted Stock or Restricted Stock Units shall become vested. The Administrator may accelerate the vesting and/or the lapse of any or all of the restrictions on Restricted Stock and Restricted Stock Units, which acceleration shall not affect any other terms and conditions of such Awards. No Share shall be issued at the time an Award of Restricted Stock Units is made, and the Company will not be required to set aside a fund for the payment of any such Award.

(b) Stock Certificates; Escrow or Similar Arrangement. Upon the grant of Restricted Stock, the Administrator shall cause Share(s) to be registered in the name of the Participant, which may be evidenced in any manner the Administrator may deem appropriate, including in book-entry form subject to the Company's directions or the issuance of a stock certificate registered in the name of the Participant. In such event, the Administrator may provide that such certificates shall be held by the Company or in escrow rather than delivered to the Participant pending vesting and release of restrictions, in which case the Administrator may require the Participant to execute and deliver to the Company or its designee (including third-party administrators) (i) an escrow agreement satisfactory to the Administrator, if applicable, and (ii) the appropriate stock power (endorsed in blank) with respect to the Restricted Stock.

(d) Voting and Rights as a Stockholder. Subject to the restrictions set forth in the applicable Award Agreement, a Participant generally shall have the rights and privileges of a stockholder with respect to Awards of Restricted Stock, including, without limitation, the right to vote such Shares of Restricted Stock and the right to receive dividends. Unless otherwise provided by the Administrator or in an Award Agreement, a Restricted Stock Unit shall not convey to the Participant the rights and privileges of a stockholder with respect to the Share subject to the Restricted Stock Unit, such as the right to vote or the right to receive dividends, unless and until a Share is issued to the Participant to settle the Restricted Stock Unit.

(e) Restrictions; Forfeiture. Restricted Stock and Restricted Stock Units awarded to the Participant shall be subject to forfeiture until the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Administrator, and shall be subject to the restrictions on transferability set forth in the Award Agreement. Unless otherwise provided by the Administrator, in the event of any forfeiture, all rights of the Participant to such Restricted Stock (or as a stockholder with respect thereto) and to such Restricted Stock Units, as applicable, shall terminate without further action or obligation on the part of the Company. The Administrator shall have the authority to remove any or all of the restrictions on the Restricted Stock and Restricted Stock Units whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the date of grant of the Restricted Stock Award or Restricted Stock Unit Award, such action is appropriate.

(f) Delivery of Restricted Stock and Settlement of Restricted Stock Units.

(i) Upon the expiration of the Restricted Period with respect to any Shares of Restricted Stock and the attainment of any other vesting criteria, the restrictions set forth in the applicable Award Agreement shall be of no further force or effect, except as set forth in the Award Agreement. If an escrow arrangement is used, upon such expiration the Company shall deliver to the Participant or such Participant's beneficiary or Permitted Transferee (via book-entry notation or, if applicable, in stock certificate form) the Shares of Restricted Stock with respect to which the Restricted Period has expired (rounded down to the nearest full Share). To the extent provided in an Award Agreement, dividends, if any, that may have been withheld by the Company and attributable to the Restricted Stock shall be distributed to the Participant in cash or in Shares (or a combination of cash and Shares) having a Fair Market Value (on the date of distribution) equal to the amount of such dividends, upon the release of restrictions on the Restricted Stock.

(ii) Unless otherwise provided by the Administrator in an Award Agreement, upon the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Administrator in the applicable Award Agreement, with respect to any outstanding Restricted Stock Units, the Company shall deliver to the Participant, or such Participant's beneficiary (via book-entry notation or, if applicable, in stock certificate form), one Share (or other securities or other property, as applicable) for each such outstanding Restricted Stock Unit that has not then been forfeited and with respect to which the Restricted Period has expired and any other such vesting criteria are attained ("***Released Unit***"); provided, however, that the Administrator may elect to (A) pay cash or part cash and part Shares in lieu of delivering only Shares in respect of such Released Units or (B) defer the delivery of Shares (or cash or part Shares and part cash, as the case may be) beyond the expiration of the Restricted Period if such extension would not cause adverse tax consequences under Section 409A of the Code. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of the Shares as of the date on which the Shares would have otherwise been delivered to the Participant in respect of such Restricted Stock Units. To the extent provided in an Award Agreement, dividend or distribution equivalents, if any, that may have been withheld by the Company and attributable to the Restricted Stock Units shall be distributed to the Participant in cash or in Shares (or a combination of cash and Shares) having a Fair Market Value (on the date of distribution) equal to the amount of such dividends or distributions, upon the release of restrictions on the Restricted Stock Units.

(g) Legends on Restricted Stock. Each Participant receiving Shares of Restricted Stock awarded under the Plan shall be issued a stock certificate in respect of such Shares of Restricted Stock. Such certificate shall be registered in the name of such Participant, and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Shares of Restricted Stock. The stock certificate evidencing such Shares of Restricted Stock shall be held in custody by the Company, or its designees, until the conditions to the vesting of such Shares of Restricted Stock have been satisfied and all other restrictions thereon shall have lapsed. Notwithstanding the foregoing, in the discretion of the Company, any Shares of Restricted Stock awarded under the Plan to any Eligible Person may be issued and held in book entry form. In such event, not stock certificates evidencing such Shares of Restricted Stock will be issued and the applicable restrictions will be noted in the records of the Company's transfer agent and in the book entry system.

10. Other Stock-Based Awards and Other Cash-Based Awards. The Administrator may issue unrestricted Shares, rights to receive future grants of Awards, or other Awards denominated in Shares (including performance shares or performance units), or Awards that provide for cash payments based in whole or in part on the value or future value of Shares ("***Other Stock-Based Awards***") and Other Cash-Based Awards under the Plan to Eligible Persons, alone or in tandem with other Awards, in such amounts as the Administrator shall from time to time determine. Each Other Stock-Based Award shall be evidenced by an Award Agreement, which may include conditions including, without limitation, the payment by the Participant of the Fair Market Value of such Shares on the date of grant. Each Other Cash-Based Award granted under the Plan shall be evidenced in such form as the Administrator may determine from time to time.

11. Changes in Capital Structure and Similar Events. In the event of (a) any dividend (other than regular cash dividends) or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, amalgamation, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to acquire Shares or other securities of the Company, or other similar corporate transaction or event (including, without limitation, a Change in Control) that affects the Shares or (b) unusual or nonrecurring events (including, without limitation, a Change in Control) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange or inter-dealer quotation service, accounting principles or law, such that in any case an adjustment is determined by the Administrator to be necessary or appropriate, then the Administrator shall (other than with respect to Other Cash-Based Awards), to the extent permitted under Section 409A of the Code, make any such adjustments in such manner as it may deem equitable, including, without limitation, any or all of the following:

(i) adjusting any or all of (A) the number of Shares or other securities of the Company (or number and kind of other securities or other property) that may be delivered in respect of Awards or with respect to which Awards may be granted under the Plan (including, without limitation, adjusting any or all of the limitations under Section 5 of the Plan) and (B) the terms of any outstanding Award, including, without limitation, (1) the number of Shares or other securities of the Company (or number and kind of other securities or other property) subject to outstanding Awards or to which outstanding Awards relate, (2) the exercise price with respect to any Award and/or (3) any applicable performance measures (including, without limitation, Performance Conditions and performance periods);

(ii) providing for a substitution or assumption of Awards (or awards of an acquired company), accelerating the delivery, vesting and/or exercisability of, lapse of restrictions and/or other conditions on, or termination of, Awards or providing for a period of time (which shall not be required to be more than ten days) for Participants to exercise outstanding Awards prior to the occurrence of such event (and any such Award not so exercised shall terminate or become no longer exercisable upon the occurrence of such event); and

(iii) cancelling any one or more outstanding Awards (or awards of an acquired company) and causing to be paid to the holders thereof, in cash, Shares, other securities or other property, or any combination thereof, the value of such Awards, if any, as determined by the Administrator (which, if applicable, may be based upon the price per Share received or to be received by other stockholders of the Company in such event), including, without limitation, in the case of an outstanding Option or SAR, a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Administrator) of the Shares subject to such Option or SAR over the aggregate exercise price of such Option or SAR, respectively (it being understood that, in such event, any Option or SAR having a per Share exercise price equal to, or in excess of, the Fair Market Value (as of the date specified by the Administrator) of a Share subject thereto may be canceled and terminated without any payment or consideration therefor);

provided, however, that the Administrator shall make an equitable or proportionate adjustment to outstanding Awards to reflect any "equity restructuring" (within the meaning of the Financial Accounting Standards Codification Topic 718 (or any successor pronouncement thereto)). Except as otherwise determined by the Administrator, any adjustment in Incentive Stock Options under this Section 11 (other than any cancellation of Incentive Stock Options) shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code, and any adjustments under this Section 11 shall be made in a manner that does not adversely affect the exemption provided pursuant to Rule 16b-3 promulgated under the Exchange Act. Any such adjustment hereunder, upon notice, shall be conclusive and binding for all purposes. In anticipation of the occurrence of any event listed in the first sentence of this Section 11, for reasons of administrative convenience, the Administrator in its sole discretion may refuse to permit the exercise of any Award or as it otherwise may determine during a period of up to 30 days prior to, and/or up to 30 days after, the anticipated occurrence of any such event.

12. Effect of Termination of Service or a Change in Control on Awards.

(a) Termination. To the extent permitted under Section 409A of the Code, the Administrator may provide, by rule or regulation or in any applicable Award Agreement, or may determine in any individual case, the circumstances in which, and to the extent to which, an Award may be exercised, settled, vested, paid or forfeited in the event of the Participant's termination of Service prior to the end of a performance period or vesting, exercise or settlement of such Award.

(b) Change in Control. In the event of a Change in Control, notwithstanding any provision of the Plan to the contrary, the Administrator may provide for: (i) continuation or assumption of such outstanding Awards under the Plan by the Company (if it is the surviving corporation) or by the surviving corporation or its parent; (ii) substitution by the surviving corporation or its parent of awards with substantially the same terms and value for such outstanding Awards (in the case of an Option or SAR, the Intrinsic Value at grant of such Substitute Award shall equal the Intrinsic Value of the Award); (iii) acceleration of the vesting (including the lapse of any restrictions, with any performance criteria or other Performance Conditions deemed met at such level of achievement as determined by the Administrator) or right to exercise such outstanding Awards immediately prior to or as of the date of the Change in Control, and the expiration of such outstanding Awards to the extent not timely exercised by the date of the Change in Control or other date thereafter designated by the Administrator; or (iv) cancellation of any outstanding Award and payment to the Participant who holds such Award in an amount equal to the Intrinsic Value of such Award (which may be equal to but not less than zero), which, if in excess of zero, shall be payable upon the effective date of such Change in Control. For the avoidance of doubt, in the event of a Change in Control, the Administrator may, in its sole discretion, terminate any Option or SAR for which the exercise or hurdle price is equal to or exceeds the per Share value of the consideration to be paid in the Change in Control transaction, without payment of consideration therefor.

13. Deferred Awards. The Administrator is authorized, subject to limitations under applicable law, to grant to Participants Deferred Awards, which may be a right to receive Shares or cash under the Plan (either independently or as an element of or supplement to any other Award under the Plan), including, as may be required by any applicable law or regulations or determined by the Administrator, in lieu of any annual bonus, commission or retainer that may be payable to a Participant under any applicable, bonus, commission or retainer plan or arrangement. The Administrator shall determine the terms and conditions of such Deferred Awards, including, without limitation, the method of converting the amount of annual bonus into a Deferred Award, if applicable, and the form, vesting, settlement, forfeiture and cancellation provisions or any other criteria, if any, applicable to such Deferred Awards. Shares underlying a Share-denominated Deferred Award, which is subject to a vesting schedule or other conditions or criteria, including forfeiture or cancellation provisions, set by the Administrator shall not be issued before the date that those conditions and criteria have been satisfied. Deferred Awards shall be subject to such restrictions as the Administrator may impose (including any limitation on the right to vote a Share underlying a Deferred Award or the right to receive any dividend or distribution equivalent or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Administrator may deem appropriate. The Administrator may determine the form or forms (including cash, Shares, other Awards, other property or any combination thereof) in which payment of the amount owing upon settlement of any Deferred Award may be made.

14. Amendments and Termination.

(a) Amendment and Termination of the Plan. The Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuance or termination shall be made without stockholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Plan (including, without limitation, as necessary to comply with any applicable rules or requirements of any securities exchange or inter-dealer quotation service on which the Shares may be listed or quoted, for changes in GAAP to new accounting standards); provided, further, that any such amendment, alteration, suspension, discontinuance or termination that would materially and adversely affect the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary, unless the Administrator determines that such amendment, alteration, suspension, discontinuance or termination is either required or advisable in order for the Company, the Plan or the Award to satisfy any applicable law or regulation, the NASDAQ listing guidelines or the rules of any other securities exchange or inter-dealer quotation service on which the Shares are listed or quoted. No Awards may be granted or awarded during any period of suspension, after termination of the Plan or after the Expiration Date.

(b) Amendment of Award Agreements. The Administrator may, to the extent not inconsistent with the terms of the Plan, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted or the associated Award Agreement, prospectively or retroactively (including after the Participant's termination of Service); provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any Participant with respect to any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant unless the Administrator determines that such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination is either required or advisable in order for the Company, the Plan or the Award to satisfy any applicable law or regulation, the NASDAQ listing guidelines or the rules of any other securities exchange or inter-dealer quotation service on which the Shares are listed or quoted; provided, further, that in the event the Company is no longer a "controlled company" (as such term is defined under the rules of the NASDAQ or any other securities exchange or inter-dealer quotation service on which the Shares are listed or quoted), except as otherwise permitted under Section 11 of the Plan, if (i) the Administrator reduces the exercise price of any Option or of any SAR, (ii) the Administrator cancels any outstanding Option or SAR and replaces it with a new Option or SAR (with a lower exercise price, as the case may be) or other Award or cash in a manner that would either (A) be reportable on the Company's proxy statement or Form 10-K (if applicable) as Options that have been "repriced" (as such term is used in Item 402 of Regulation S-K promulgated under the Exchange Act) or (B) result in any "repricing" for financial statement reporting purposes (or otherwise cause the Award to fail to qualify for equity accounting treatment), (iii) take any other action that is considered a "repricing" for purposes of the stockholder approval rules of the applicable securities exchange or inter-dealer quotation service on which the Share is listed or quoted and/or (iv) cancel any outstanding Option or SAR that has a per Share exercise price (as applicable) at or above the Fair Market Value of a Share on the date of cancellation, and pay any consideration to the holder thereof, whether in cash, securities or other property, or any combination thereof, then, in the case of the immediately preceding clauses (i) through (iv), any such action shall not be effective without stockholder approval.

15. General.

(a) Award Agreements; Other Agreements. Each Award (other than an Other Cash-Based Award) under the Plan shall be evidenced by an Award Agreement, which shall be delivered (whether in written or electronic form) to the Participant and shall specify the terms and conditions of the Award and any rules applicable thereto. In the event of any conflict between the terms of the Plan and any Award Agreement or employment, change-in-control, severance or other agreement in effect with the Participant, the Administrator shall determine the resolution of such conflict.

(b) Nontransferability.

(i) Each Award shall be exercisable only by the Participant during the Participant's lifetime or, if permissible under applicable law or the Plan, by the Participant's legal guardian or representative or beneficiary or Permitted Transferee. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution or as set forth below in clause (ii), and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or an Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(ii) Notwithstanding the foregoing, the Administrator may permit Awards (other than Incentive Stock Options) to be transferred by the Participant, without consideration, subject to such rules as the Administrator may adopt, to (A) any person who is a "family member" of the Participant, as such term is used in the instructions to Form S-8 under the Securities Act or any successor form of registration statements promulgated by the Securities and Exchange Commission (collectively, the "***Immediate Family Members***"); (B) a trust solely for the benefit of the Participant or the Participant's Immediate Family Members; (C) a partnership or limited liability company whose only partners or stockholders are the Participant and the Participant's Immediate Family Members; or (D) any other transferee as may be approved either (1) by the Board or the Administrator or (2) as provided in the applicable Award Agreement (each transferee described in clause (A), (B), (C) or (D) above is hereinafter referred to as a "***Permitted Transferee***"); provided that the Participant gives the Administrator advance written notice describing the terms and conditions of the proposed transfer and the Administrator notifies the Participant in writing that such a transfer would comply with the requirements of the Plan.

(iii) The terms of any Award transferred in accordance with the immediately preceding subsection shall apply to the Permitted Transferee, and any reference in the Plan, or in any applicable Award Agreement, to the Participant shall be deemed to refer to the Permitted Transferee, except that, unless otherwise provided by the Administrator: (A) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of descent and distribution; (B) Permitted Transferees shall not be entitled to exercise any transferred Option unless there shall be in effect a registration statement on an appropriate form covering the Shares to be acquired pursuant to the exercise of such Option if the Administrator determines, consistent with any applicable Award Agreement, that such a registration statement is necessary or appropriate; (C) the Administrator or the Company shall not be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise; (D) the consequences of the termination of the Participant's Services to the Company or an Affiliate under the terms of the Plan and the applicable Award Agreement shall continue to be applied with respect to the transferred Award, including, without limitation, that an Option shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Award Agreement; and (E) any non-competition, non-solicitation, non-disparagement, non-disclosure or other restrictive covenants contained in any Award Agreement or other agreement between the Participant and the Company or any Affiliate shall continue to apply to the Participant and the consequences of the violation of such covenants shall continue to be applied with respect to the transferred Award, including without limitation the clawback, forfeiture and detrimental conduct provisions of Section 15(u) of the Plan.

(c) Dividends and Distribution Equivalents. The Administrator may specify in the Award Agreement that dividends or distributions (in the case of Restricted Stock) or dividend or distribution equivalents (in the case of an Award other than Restricted Stock) may be credited with respect an Award, either in cash or in additional Shares, and paid either on a current or deferred basis, and may be reinvested in additional Shares, which may be subject to the same restrictions as such Award; provided, however, that, with respect to an Option or SAR, (i) no dividend or distribution equivalents shall be credited following the date that such Award vests and (ii) any dividend or distribution equivalents that are paid on a deferred basis shall be paid no later than the date that such Award vests.

(d) No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or an Award, and the Administrator shall determine whether cash or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated or otherwise eliminated.

(e) Tax Withholding.

(i) The Participant shall be required to pay to the Company or any Affiliate, and the Company or any Affiliate shall have the right (but not the obligation) and is hereby authorized to withhold, from any cash, Shares, other securities or other property deliverable under any Award or from any compensation or other amounts owing to the Participant, the amount (in cash, Shares, other securities or other property) of any required withholding taxes (up to the maximum permissible withholding amounts) in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action that the Administrator or the Company deems necessary to satisfy all obligations for the payment of such withholding taxes.

(ii) Without limiting the generality of paragraph (i) above, the Administrator may permit the Participant to satisfy, in whole or in part, the foregoing withholding liability by (A) payment in cash, (B) the delivery of Shares (which Shares are not subject to any pledge or other security interest) owned by the Participant having a Fair Market Value on such date equal to such withholding liability or (C) having the Company withhold from the number of Shares otherwise issuable or deliverable pursuant to the exercise or settlement of the Award a number of Shares with a Fair Market Value on such date equal to such withholding liability. In addition, subject to any requirements of applicable law, the Participant may also satisfy the tax withholding obligations by other methods, including selling Shares that would otherwise be available for delivery; provided that the Board or the Administrator has specifically approved such payment method in advance.

(f) No Claim to Awards; No Rights to Continued Service. No employee, Director of the Company, consultant providing Service to the Company or an Affiliate, or other person shall have any claim or right to be granted an Award under the Plan or, having been selected for the grant of an Award, to be selected for a grant of any other Award. There is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards and the Administrator's determinations and interpretations with respect thereto need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated. Neither the Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the Service of the Company or an Affiliate, or to continue in the Service of the Company or an Affiliate, nor shall it be construed as giving any Participant who is a Director any rights to continued Service on the Board.

(g) International Participants. With respect to Participants who reside or work outside of the United States or are subject to non-U.S. legal restrictions or regulations, the Administrator may amend the terms of the Plan or appendices thereto, or outstanding Awards, with respect to such Participants, in order to conform such terms with or accommodate the requirements of local laws, procedures or practices or to obtain more favorable tax or other treatment for the Participant, the Company or its Affiliates. Without limiting the generality of this subsection, the Administrator is specifically authorized to adopt rules, procedures and sub-plans with provisions that limit or modify rights on death, disability, retirement or other terminations of Service, available methods of exercise or settlement of an Award, payment of income, social insurance contributions or payroll taxes, withholding procedures and handling of any stock certificates or other indicia of ownership that vary with local requirements. The Administrator may also adopt rules, procedures or sub-plans applicable to particular Affiliates or locations.

(h) Beneficiary Designation. The Participant's beneficiary shall be the Participant's spouse (or domestic partner if such status is recognized by the Company and in such jurisdiction) or, if the Participant is otherwise unmarried at the time of death, the Participant's estate, except to the extent that a different beneficiary is designated in accordance with procedures that may be established by the Administrator from time to time for such purpose. Notwithstanding the foregoing, in the absence of a beneficiary validly designated under such Administrator-established procedures and/or applicable law who is living (or in existence) at the time of death of a Participant residing or working outside the United States, any required distribution under the Plan shall be made to the executor or administrator of the estate of the Participant, or to such other individual as may be prescribed by applicable law.

(i) Termination of Service. The Administrator, in its sole discretion, shall determine the effect of all matters and questions related to the termination of Service of a Participant. Unless determined otherwise by the Administrator: (i) neither a temporary absence from Service due to illness, vacation or leave of absence (including, without limitation, a call to active duty for military service through a Reserve or National Guard unit) nor a transfer from Service with the Company to Service with an Affiliate (or vice versa) shall be considered a termination of Service with the Company or an Affiliate; and (ii) if the Participant's Service as an employee with the Company or its Affiliates terminates, but such Participant continues to provide Services to such Company or such Affiliate in a non-employee capacity (including as a non-employee Director) (or vice versa), such change in status shall not be considered a termination of Service with the Company or an Affiliate for purposes of the Plan.

(j) No Rights as a Stockholder. Except as otherwise specifically provided in the Plan or any Award Agreement, no person shall be entitled to the privileges of ownership in respect of Shares that are subject to Awards hereunder until such Shares have been issued or delivered to that person.

(k) Government and Other Regulations.

(i) Nothing in the Plan shall be deemed to authorize the Board, the Administrator or any members thereof to take any action contrary to applicable law or regulation, or rules of the NASDAQ or any other securities exchange or inter-dealer quotation service on which the Shares are listed or quoted.

(ii) The obligation of the Company to settle Awards in Shares or other consideration shall be subject to all applicable laws, rules and regulations, and to such approvals by governmental agencies as may be required. Notwithstanding any terms or conditions of any Award to the contrary, the Company shall be under no obligation to offer to sell or to sell, and shall be prohibited from offering to sell or selling, any Shares pursuant to an Award unless such Shares have been properly registered for sale pursuant to the Securities Act with the Securities and Exchange Commission or unless the Company has received an opinion of counsel, satisfactory to the Company, that such Shares may be offered for sale or sold without such registration pursuant to and in compliance with the terms of an available exemption. The Company shall be under no obligation to register for sale under the Securities Act any of the Shares to be offered for sale or sold under the Plan. The Administrator shall have the authority to provide that all Shares or other securities of the Company or any Affiliate delivered under the Plan shall be subject to such stop-transfer orders and other restrictions as the Administrator may deem advisable under the Plan, the applicable Award Agreement, U.S. federal securities laws, or the rules, regulations and other requirements of the U.S. Securities and Exchange Commission, any securities exchange or inter-dealer quotation service upon which such Shares or other securities of the Company are then listed or quoted and any other applicable federal, state, local or non-U.S. laws, rules, regulations and other requirements, and, without limiting the generality of Section 9 of the Plan, the Administrator may cause a legend or legends to be put on any such certificates of Shares or other securities of the Company or any Affiliate delivered under the Plan to make appropriate reference to such restrictions or may cause such Shares or other securities of the Company or any Affiliate delivered under the Plan in book-entry form to be held subject to the Company's instructions or subject to appropriate stop-transfer orders. Notwithstanding any provision in the Plan to the contrary, the Administrator reserves the right to add any additional terms or provisions to any Award granted under the Plan that it in its sole discretion deems necessary or advisable in order that such Award complies with the legal requirements of any governmental entity to whose jurisdiction the Award is subject.

(iii) The Administrator may cancel an Award or any portion thereof if it determines that legal or contractual restrictions and/or blockage and/or other market considerations would make the Company's acquisition of Shares from the public markets, the Company's issuance of Shares to the Participant, the Participant's acquisition of Shares from the Company and/or the Participant's sale of Shares to the public markets illegal, impracticable or inadvisable. If the Administrator determines to cancel all or any portion of an Award in accordance with the foregoing, unless prevented by applicable laws, the Company shall pay to the Participant an amount equal to the excess of (A) the aggregate Fair Market Value of the Shares subject to such Award or portion thereof canceled (determined as of the applicable exercise date, or the date that the Shares would have been vested or delivered, as applicable), over (B) the aggregate exercise price (in the case of an Option or SAR) or any amount payable as a condition of delivery of Shares (in the case of any other Award). Such amount shall be delivered to the Participant as soon as practicable following the cancellation of such Award or portion thereof.

(l) Payments to Persons Other Than Participants. If the Administrator shall find that any person to whom any amount is payable under the Plan is unable to care for such person's affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or such person's estate (unless a prior claim therefor has been made by a duly appointed legal representative or a beneficiary designation form has been filed with the Company) may, if the Administrator so directs the Company, be paid to such person's spouse, child or relative, or an institution maintaining or having custody of such person, or any other person deemed by the Administrator to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Administrator and the Company therefor.

(m) Nonexclusivity of the Plan. Neither the adoption of the Plan by the Board nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options or awards otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

(n) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate, on the one hand, and the Participant or other person or entity, on the other hand. No provision of the Plan or any Award shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or to otherwise segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company.

(o) Reliance on Reports. Each member of the Administrator and each member of the Board (and each such member's respective designees) shall be fully justified in acting or failing to act, as the case may be, and shall not be liable for having so acted or failed to act in good faith, in reliance upon any report made by the independent, registered public accounting firm of the Company and its Affiliates and/or any other information furnished in connection with the Plan by any agent of the Company, the Board or the Administrator, other than such member or designee.

(p) Relationship to Other Benefits. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit-sharing, group insurance or other benefit plan of the Company except as otherwise specifically provided in such other plan.

(q) Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.

(r) Severability. If any provision of the Plan or any Award or Award Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person or entity or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Administrator, such provision shall be construed or deemed amended to conform to the applicable laws, or, if it cannot be construed or deemed amended without, in the determination of the Administrator, materially altering the intent of the Plan or the Award, such provision shall be construed or deemed stricken as to such jurisdiction, person or entity or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

(s) Obligations Binding on Successors. The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company.

(t) Section 409A of the Code.

(i) It is intended that the Plan comply with Section 409A of the Code, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. Each Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or in respect of such Participant in connection with the Plan or any other plan maintained by the Company, including any taxes and penalties under Section 409A of the Code, and neither the Company nor any Affiliate shall have any obligation to indemnify or otherwise hold such Participant or any beneficiary harmless from any or all of such taxes or penalties. With respect to any Award that is considered "deferred compensation" subject to Section 409A of the Code, references in the Plan to "termination of Service" (and substantially similar phrases) shall mean "separation from service" within the meaning of Section 409A of the Code. For purposes of Section 409A of the Code, each of the payments that may be made in respect of any Award granted under the Plan is designated as a separate payment.

(ii) Notwithstanding anything in the Plan to the contrary, if the Participant is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, no payments or deliveries in respect of any Awards that are "deferred compensation" subject to Section 409A of the Code shall be made to such Participant prior to the date that is six months after the date of such Participant's "separation from service" within the meaning of Section 409A of the Code or, if earlier, the Participant's date of death. All such delayed payments or deliveries will be paid or delivered (without interest) in a single lump sum on the earliest date permitted under Section 409A of the Code that is also a business day.

(iii) In the event that the timing of payments in respect of any Award that would otherwise be considered "deferred compensation" subject to Section 409A of the Code would be accelerated upon the occurrence of (A) a Change in Control, no such acceleration shall be permitted unless the event giving rise to the Change in Control satisfies the definition of a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation pursuant to Section 409A of the Code and any Treasury Regulations promulgated thereunder, or (B) a Disability, no such acceleration shall be permitted unless the Disability also satisfies the definition of "disability" pursuant to Section 409A of the Code and any Treasury Regulations promulgated thereunder.

(u) Clawback/Forfeiture. The Administrator shall have full authority to implement any policies and procedures necessary to comply with Section 10D of the Exchange Act and any rules promulgated thereunder and any other regulatory regimes. Notwithstanding anything to the contrary contained herein, the Administrator may cancel an Award if the Participant, without the consent of the Company, (A) has engaged in or engages in activity that is in conflict with or adverse to the interests of the Company or any Affiliate while providing Services to the Company or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities or (B) violates a non-competition, non-solicitation, non-disparagement, non-disclosure or other similar agreement with the Company or any Affiliate, as determined by the Administrator, or if the Participant's Service is terminated for Cause. In any such event the Administrator may determine that the Participant will forfeit any compensation, gain or other value realized thereafter on the vesting, exercise or settlement of such Award, the sale or other transfer of such Award, or the sale of Shares acquired in respect of such Award, 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 Award for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), all as determined by the Administrator, then the Participant shall be required to promptly repay any such excess amount to the Company. In addition, the Company shall retain the right to bring an action at equity or law to enjoin the Participant's activity and recover damages resulting from such activity. Further, to the extent required by applicable law (including, without limitation, Section 304 of the Sarbanes-Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) and/or the rules and regulations of the NASDAQ or any other securities exchange or inter-dealer quotation service on which the Shares are listed or quoted, or if so required pursuant to a written policy adopted by the Company, Awards shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into all outstanding Award Agreements).

(v) No Representations or Covenants with Respect to Tax Qualification. Although the Company may endeavor to (i) qualify an Award for favorable U.S. or non-U.S. tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under the Plan.

(w) No Interference. The existence of the Plan, any Award Agreement and the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company, the Board, the Administrator or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, warrants, or rights to purchase stock or of bonds, debentures, or preferred or prior preference stocks whose rights are superior to or affect the Shares or the rights thereof or that are convertible into or exchangeable for Shares, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of their assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(x) Expenses; Titles and Headings. The expenses of administering the Plan shall be borne by the Company and its Affiliates. The titles and headings of the sections in the Plan are for convenience of reference only, and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

(y) Whistleblower Acknowledgments. Notwithstanding anything to the contrary herein, nothing in this Plan or any Award Agreement will (i) prohibit a Participant from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Exchange Act or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of federal law or regulation, or (ii) require prior approval by the Company or any of its Affiliates of any reporting described in clause (i).

(z) Lock-Up Agreements. The Administrator may require a Participant receiving Shares pursuant to the Plan, as a condition precedent to receipt of such Shares, to enter into a shareholder agreement or "lock-up" agreement in such form as the Administrator shall determine is necessary or desirable to further the Company's interests.

(aa) Restrictive Covenants. The Administrator may impose restrictions on any Award with respect to non-competition, non-solicitation, non-disparagement, non-disclosure or other restrictive covenants as it deems necessary or appropriate in its sole discretion.

* * *

Exhibit 10.4

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "**Agreement**") is made and entered into as of _____, 2025 between Resolute Holdings Management, Inc., a Delaware corporation (the "**Company**"), and _____ ("**Indemnitee**").

WITNESSETH THAT:

WHEREAS, highly competent persons have become more reluctant to serve corporations as directors or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "**Board**") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The certificate of incorporation of the Company, as amended and restated (as it may be further amended from time to time, the "**Certificate of Incorporation**"), and the bylaws of the Company, as amended and restated (as it may be further amended from time to time, the "**Bylaws**"), requires indemnification of the directors, officers, employees or agents of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("**DGCL**"). The DGCL expressly provides that the indemnification provisions set forth therein are not exclusive, and thereby contemplates that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate of Incorporation and Bylaws of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee does not regard the protection available under the Company's insurance, if any, as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of Indemnitee's agreement to serve as a director or officer (as the case may be) of the Company, the parties hereto agree as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(a) if, by reason of his Corporate Status (as hereinafter defined), the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses (as hereinafter defined), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him, or on his behalf, in connection with such Proceeding or any claim, issue or matter therein, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of his Corporate Status, the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee, or on the Indemnitee's behalf, in connection with such Proceeding if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware shall determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified to the maximum extent permitted by law, as such may be amended from time to time, against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

(d) Indemnification of Related Parties. If (i) Indemnitee is or was affiliated with one or more corporations, companies, voluntary associations, partnerships, joint ventures, limited liability companies, trusts, estates, unincorporated organizations or other entities that has invested in the Company (an "**Appointing Stockholder**"), (ii) the Appointing Stockholder is, or is threatened to be made, a party to or a participant in any proceeding, and (iii) the Appointing Stockholder's involvement in the proceeding is related to Indemnitee's service to the Company as a director of the Company or any direct or indirect subsidiaries of the Company, then, to the extent resulting from any claim based on the Indemnitee's service to the Company as a director of the Company or any direct or indirect subsidiaries of the Company, the Appointing Stockholder will be entitled to indemnification hereunder for Expenses to the same extent as Indemnitee.

2. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf if, by reason of his Corporate Status, he is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 6 and 7 hereof) to be unlawful.

3. Contribution.

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not enter into any settlement of any action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such action, suit or proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which the law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

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

(d) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

4. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness, or is made (or asked to) respond to discovery requests, in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

5. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding by reason of Indemnitee's Corporate Status within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by an undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest free.

6. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Indemnitee has requested indemnification. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 6(a) hereof, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods, which shall be at the election of the board: (i) by a majority vote of the disinterested directors, even though less than a quorum, (ii) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum, (iii) if there are no disinterested directors or if the disinterested directors so direct, by independent legal counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the Indemnitee, or (iv) if so directed by the Board of Directors, by the stockholders of the Company. For purposes hereof, disinterested directors are those members of the board of directors of the Company who are not parties to the action, suit or proceeding in respect of which indemnification is sought by Indemnitee.

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6(b) hereof, the Independent Counsel shall be selected as provided in this Section 6(c). The Independent Counsel shall be selected by the Board of Directors. Indemnitee may, within 10 (ten) days after such written notice of selection shall have been given, deliver to the Company, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "**Independent Counsel**" as defined in Section 13 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 6(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by the Indemnitee to the Company's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 6(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 6(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(e) Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise (as hereinafter defined) in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 6(e) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) If the person, persons or entity empowered or selected under Section 6 to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 6(g) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 6(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Board of Directors or the Disinterested Directors, if appropriate, resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat.

(g) Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel, member of the Board of Directors or stockholder of the Company shall act reasonably and in good faith in making a determination regarding the Indemnitee's entitlement to indemnification under this Agreement. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

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

(i) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

7. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 6 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 5 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 6(b) of this Agreement within 90 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to this Agreement within ten (10) days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 6 of this Agreement, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification. Indemnitee shall commence such proceeding seeking an adjudication within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 7(a). The Company shall not oppose Indemnitee's right to seek any such adjudication.

(b) In the event that a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo trial on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 6(b).

(c) If a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 7, seeks a judicial adjudication of his rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on his behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 13 of this Agreement) actually and reasonably incurred by him in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefore) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

8. Non-Exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders, a resolution of directors or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents or fiduciaries of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any director, officer, employee, agent or fiduciary under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

9. Exception to Right of Indemnification. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law; or

(c) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board of Directors of the Company authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

10. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is an officer or director of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so with respect to any Proceeding (or any proceeding commenced under Section 7 hereof) by reason of his Corporate Status, whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives.

11. Security. To the extent requested by Indemnitee and approved by the Board of Directors of the Company, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

12. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve as an officer or director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer or director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

13. Definitions. For purposes of this Agreement:

(a) "**Corporate Status**" describes the status of a person who is or was a director (or a person entitled to designate a director), officer, employee, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving at the express written request of the Company.

(b) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(c) "**Enterprise**" means the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express written request of the Company as a director, officer, employee, agent or fiduciary.

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

(e) "**Independent Counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) "**Proceeding**" includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of the fact that Indemnitee is or was an officer or director of the Company (or designated a director), by reason of any action taken by him or of any inaction on his part while acting as an officer or director of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other Enterprise; in each case whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce his rights under this Agreement.

14. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable laws. In the event any provision hereof conflicts with any applicable law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

15. Modification and Waiver. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

16. Notice By Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

17. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

(a) To Indemnitee at the address set forth below Indemnitee signature hereto.

(b) To the Company at:

Resolute Holdings Management, Inc.
445 Park Avenue, Suite 15F
New York, NY 10022
Attention: Thomas R. Knott

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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

20. Governing Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (or, only if such court declines to accept jurisdiction over a particular matter, then in the United States District Court for the District of Delaware or, if jurisdiction is not then available in the United States District Court for the District of Delaware (but only in such event), then in any court sitting in the State of Delaware in New Castle County) and any appellate court from any of such courts (in any case, the "**Delaware Court**"), and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement on and as of the day and year first above written.

RESOLUTE HOLDINGS MANAGEMENT, INC.

By: _____
Name: Thomas R. Knott
Title: Chief Executive Officer

INDEMNITEE

_____
Name:

Address:

c/o Resolute Holdings Management, Inc.
445 Park Avenue, Suite 15F
New York, NY 10022

[*Signature page to Indemnification Agreement*]

Exhibit 10.5

__, 2025

Mr. David M. Cote
By email

Dear David:

In connection with the spin-off (the "Spin-Off") of Resolute Holdings Management, Inc. ("Resolute Holdings") to shareholders of CompoSecure, Inc. ("CompoSecure"), I am pleased to confirm our offer to you to become the Executive Chairman of Resolute Holdings and assume the roles and positions described below. Following the Spin-Off, your employment will transfer to Resolute Holdings, while you continue to provide services and dedicate time to CompoSecure in your current role as Executive Chairman and Co-Chief Investment Officer. The effective date of your employment with Resolute Holdings will be the effective date of the Spin-Off (the "Effective Date"), subject to the terms and conditions of this amended and restated letter agreement (this "letter"). You will also serve as a director on the board of directors of Resolute Holdings (the "Resolute Board") and will remain a director on the board of directors of CompoSecure (the "CompoSecure Board"). "Company", as used in this letter, refers to CompoSecure, with respect to any services provided to CompoSecure and its subsidiaries, and Resolute Holdings, with respect to any services provided to Resolute Holdings and its subsidiaries, as applicable.

ROLES, DUTIES & RESPONSIBILITIES

You will have duties, responsibilities and obligations customarily assigned to similarly situated executives at comparable businesses, as reasonably and mutually determined by you and the CompoSecure Board or the Resolute Board, as applicable. You will report to the CompoSecure Board or the Resolute Board, as applicable.

During the Term (as defined in Exhibit A), your principal office will be based in Anna Maria, FL.

You will continue to be entitled to the following compensation and benefits package, as approved by the Compensation Committee of the Resolute Board.

COMPENSATION

Base Salary. As of the Effective Date, your annual base salary will be $750,000, which will be paid by Resolute Holdings.

Annual Bonus. You will be eligible, in the discretion of the Resolute Board, to receive an annual performance-based bonus with a target of 125% of base salary, which will be paid by Resolute Holdings; eligibility for the annual performance-based bonus started when you initially commenced employment with CompoSecure.

Annual Equity Awards. The equity grant in the form of options to purchase common stock of CompoSecure (the "Options") that you received in connection with your offer of employment with CompoSecure will continue to vest under the terms of the CompoSecure, Inc. 2021 Incentive Equity Plan (as amended) and the applicable option award agreement. The vesting of the Options will accelerate upon a termination of employment without Cause, a termination due to death or disability or resignation for Good Reason (each, as defined in Exhibit A hereto); provided, however, that the transfer of your employment to Resolute Holdings pursuant to this letter shall not be deemed a termination of employment for purposes of the accelerated vesting or forfeiture under the applicable option award agreement and shall be adjusted as further described in the Separation and Distribution Agreement by and between CompoSecure and Resolute Holdings. You will remain eligible for annual grants of Options or other equity incentive awards as determined by CompoSecure or Resolute Holdings, as applicable.

You will not be entitled to any additional compensation with respect to your service as a director on the CompoSecure Board or the Resolute Board.

OTHER EXECUTIVE BENEFITS

You will also be entitled to the following Executive Benefits:

- *Benefits:* You will be eligible to participate in substantially the same plans and programs made available by CompoSecure prior to the Spin-Off, and Resolute Holdings following the Spin-Off, to its employees generally from time to time in accordance with their terms.

- *Vacation:* You will be entitled to four weeks of paid vacation per calendar year.

- *Severance:* You will not be entitled to any severance cash payments or benefits following termination of your employment for any reason.

- *Expenses:* You will be reimbursed for your validly incurred reasonable business expenses upon the proper completion and timely submission of requisite forms and receipts to the Company in accordance with the Company's business expense reimbursement policy.

CONFIDENTIALITY & INTELLECTUAL PROPERTY

Disclosure of Confidential Information. You agree that you will, and will direct your attorneys, accountants, auditors, trustees, consultants, trustees, affiliates, advisors and family members (collectively, "Representatives"), as applicable, who have access to Confidential Information (as defined in Exhibit A hereto) to keep strictly confidential and not disclose any Confidential Information without the express consent of the Company, unless one or more of the following circumstances applies, in which case, you will, and will direct your Representatives to, disclose only the amount of Confidential Information required to be disclosed in order to satisfy such circumstance(s):

(i) such disclosure will be required by applicable law, governmental rule or regulation, court order, administrative or arbitral proceeding or by any bank or insurance regulatory authority having jurisdiction over such party;

(ii) such disclosure is requested by a governmental authority;

(iii) such disclosure is reasonably required in connection with any tax audit involving the Company or any of its affiliates; or

(iv) such disclosure is reasonably required in connection with any litigation against or involving the Company or any of its affiliates.

You acknowledge and agree that Confidential Information may be used by you and your Representatives only in connection with matters of the Company.

Notwithstanding anything to the contrary herein, nothing in this letter will prohibit you from (i) making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of federal law or regulation, (ii) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination, and (iii) disclosing any trade secret (A) in confidence 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 (B) in a complaint or other document that is filed under seal in a lawsuit or other proceeding; nothing herein will require notification to, or prior approval by, the Company of any reporting described in the preceding clauses (i), (ii) and (iii).

Works. You acknowledge that your work on and contributions to documents, programs, methodologies, protocols and other expressions in any tangible medium (including, without limitation, all business ideas and methods, inventions, innovations, developments, procedures or processes, market research, databases and other works of authorship) which have been or will be prepared by you, or to which you have contributed or will contribute, in connection with your services to CompoSecure or Resolute Holdings (collectively, "Works"), are and will be within the scope of your employment and part of your duties and responsibilities. You agree that you hereby assign, grant and deliver exclusively and throughout the world to Resolute Holdings all rights, titles and interests in and to any such Works.

RESTRICTIVE COVENANTS

Investment Opportunities. You hereby agree that if an investment opportunity is presented to you and you believe in good faith such investment opportunity may be appropriate for the Company and/or its affiliates, then you will first offer such investment opportunity to the Company and/or its affiliates, and not pursue such investment opportunity unless the Company affirmatively declines to pursue such investment opportunity. You hereby agree that following your permanent disability, voluntary retirement or departure from the Company, you will not pursue any such transaction or investment opportunity or any other transaction or investment opportunity that you became aware of or that was otherwise discussed prior to the effective date of such departure.

ADDITIONAL PROVISIONS

Section 409A. The intent of the parties is that the payments and benefits under this letter comply with or be exempt from Section 409A of the Internal Revenue Code of 1986 (the "Code") and the regulations and guidance promulgated thereunder (collectively, "Section 409A") and, accordingly, to the maximum extent permitted, this letter will be interpreted to be in compliance therewith. You agree that you will be solely responsible and liable for the satisfaction of all taxes, interest and penalties that may be imposed on you or for your account in connection with any payment or benefit under this letter (including any taxes, interest and penalties under Section 409A), and the Company will not have an obligation to indemnify or otherwise hold you (or any beneficiary successor or assign) harmless from any or all such taxes, interest or penalties.

Section 280G. If a change in control of the Company occurs and any payment or benefit made under this letter or any other agreements providing you rights to compensation or equity would constitute a "parachute payment" within the meaning of Section 280G of the Code, each payment or benefit will be reduced to the maximum amount that does not trigger the excise tax under Section 4999 of the Code unless you would be better off (on an after-tax basis) receiving all payments and benefits and paying all excise and income taxes.

Withholding Taxes. Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this letter such federal, state and local income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

Cooperation. You agree that upon termination of employment for any reason, you will reasonably cooperate in assuring an orderly transition of all matters being handled by you and will assist in any litigation proceedings if reasonably requested by the Company.

Representations. In accepting this letter, you represent as follows: (i) you are not subject to any employment agreement or non-compete obligation that would preclude the Company from employing or engaging you in your position; (ii) you will not disclose to the Company or otherwise use any trade secrets or proprietary information from your prior places of employment, other than those trade secrets transferred from CompoSecure to Resolute Holdings in connection with the Spin-Off; and (iii) you will not refer to or otherwise solicit for employment at the Company any former coworkers or others in contravention of any non-solicitation obligations still in effect.

Counterparts. This letter may be executed in any number of counterparts, each of which will be deemed an original as against any party whose signature appears thereon, and all of which together will constitute one and the same instrument.

Modification. This letter may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this letter, which agreement is executed by both of the parties hereto.

Governing Law. This letter will be governed by and construed in accordance with the laws of the United States and the State of Delaware applicable to contracts made and to be performed wholly therein, and without regard to the conflicts of laws principles that would result in the application of the laws of another jurisdiction.

Entire Agreement. This letter supersedes all prior and contemporaneous oral or written, express or implied understandings or agreements regarding your employment or engagement with the Company or any of its affiliates, and contains the entire agreement between you and the Company regarding your employment or engagement with the Company.

[Remainder of this page is intentionally left blank]

ACCEPTANCE OF OFFER

Please indicate your acceptance of this offer by signing this letter in the space provided and returning it via Adobe.

RESOLUTE HOLDINGS MANAGEMENT, INC.

_____
Thomas R. Knott
Chief Executive Officer

COMPOSECURE, L.L.C.

_____
Jonathan Wilk
Chief Executive Officer

ACKNOWLEDGED AND AGREED:

_____
David M. Cote

_____
Date:

EXHIBIT A
DEFINITIONS

"Cause" will mean:

(i) your conviction (after all appeals have been exhausted), guilty plea, or plea of *nolo contendere* of or to, a felony charge;

(ii) your conviction (after all appeals have been exhausted), guilty plea, or plea of *nolo contendere* of or to, a crime involving fraud or embezzlement that causes material harm to Resolute Holdings or its stockholders; or

(iii) willful and continued abuse or neglect of your position that exists for thirty (30) days after a majority of the Resolute Board delivers to you written demand that such abuse or neglect by you of your position cease and desist, where such written demand specifically identifies the manner in which such majority of the Resolute Board believes that you have so abused or neglected your position.

For purposes hereof, no act or failure to act on your part will be considered "willful abuse or neglect" unless done or omitted to be done by you in bad faith or without a reasonable belief that such act or omission was consistent with your responsibilities and in the best interest of Resolute Holdings.

"Confidential Information" will mean all non-public information concerning the Company, its subsidiaries and affiliates and their respective investment advisors and/or consultants, or any past and present officers, directors, partners, members, shareholders, employees, business partners, attorneys, representatives, agents, predecessors, successors and assigns of the foregoing, in each case, in whatever form such information is received, which includes, without limiting the generality of the foregoing, information that is stored in documents, text, text messages, pictures, videos or voice recordings. Confidential Information includes, but is not limited to, the following:

(i) performance of the businesses managed by the Company and its subsidiaries and/or affiliates, the strategies or techniques utilized by the foregoing, and the substance of any conversations concerning the analysis undertaken, actions taken or opinions expressed by personnel of the foregoing;

(ii) compensation of personnel of the Company and its subsidiaries and/or affiliates and financial information with respect to any of the foregoing;

(iii) proprietary technology, uses and techniques utilized within the Company and its subsidiaries and/or affiliates, including source code, related algorithms, the form and format of output and their use and application within the Company and its subsidiaries and/or affiliates;

(iv) training materials developed by and/or provided to the Company and its subsidiaries and/or affiliates;

(v) the financial performance of the Company and its subsidiaries and/or affiliates, including their respective revenues, expenses and earnings (to the extent not publicly disclosed);

(vi) any "trade secret" (as defined by applicable state law); and

(vii) any other information that you acquire as a result of your employment and that you have a reasonable basis to believe the Company would not want disclosed to a competitor, the general public or any person that is not an employee of the Company and its subsidiaries and/or affiliates.

Confidential Information will not include information that (x) is already available through publicly available sources of information (other than as a result of disclosure by you in violation of this letter); (y) was available to you on a non-confidential basis prior to its disclosure; or (z) becomes available to you on a non-confidential basis from a third-party.

"Good Reason" means any of the following actions taken by Resolute Holdings without your express written consent:

(i) any material reduction in your annual base salary, annual bonus opportunity or total compensation opportunity;

(ii) any material diminution of your duties, responsibilities, authority, positions or titles;

(iii) Resolute Holdings requiring you to be based at any location more than a 30 mile radius from your primary office for Resolute Holdings; or

(iv) any material breach by Resolute Holdings of any material term or provision of this letter;

provided, however, that none of the events described in the foregoing clauses will constitute Good Reason unless you have notified Resolute Holdings in writing describing the events that constitute Good Reason within 30 calendar days following the first occurrence of such events and then only if Resolute Holdings fails to cure such events within 30 calendar days after the receipt of such written notice, and you will have terminated your employment with Resolute Holdings promptly following the expiration of such cure period.

"Term" will mean the period starting on the Effective Date and ending upon termination of your employment by you or by Resolute Holdings for any reason.

Exhibit 10.6

__, 2025

Mr. Thomas R. Knott
By email

Dear Thomas:

In connection with the spin-off (the "Spin-Off") of Resolute Holdings Management, Inc. ("Resolute Holdings") to shareholders of CompoSecure, Inc. ("CompoSecure"), I am pleased to confirm our offer to you to become the Chief Executive Officer of Resolute Holdings and assume the roles and positions described below. Following the Spin-Off, your employment will transfer to Resolute Holdings, while you continue to provide services and dedicate time to CompoSecure in your current role as Chief Investment Officer. The effective date of your employment with Resolute Holdings will be the effective date of the Spin-Off (the "Effective Date"), subject to the terms and conditions of this amended and restated letter agreement (this "letter"). You will also serve as a director on the board of directors of Resolute Holdings (the "Resolute Board") and will remain a director on the board of directors of CompoSecure (the "CompoSecure Board"). "Company", as used in this letter, refers to CompoSecure, with respect to any services provided to CompoSecure and its subsidiaries, and Resolute Holdings, with respect to any services provided to Resolute Holdings and its subsidiaries, as applicable.

ROLES, DUTIES & RESPONSIBILITIES

You will have duties, responsibilities and obligations customarily assigned to similarly situated executives at comparable businesses, as reasonably and mutually determined by you and the CompoSecure Board or the Resolute Board, as applicable. You will report to the Executive Chairman of Resolute Holdings and the Executive Chairman and Co-Chief Investment Officer of CompoSecure, as applicable.

During the Term (as defined in Exhibit A), your principal office will be based in New York, New York.

You will continue to be entitled to the following compensation and benefits package, as approved by the Compensation Committee of the Resolute Board.

COMPENSATION

Base Salary. As of the Effective Date, your annual base salary will be $750,000, which will be paid by Resolute Holdings.

Annual Bonus. You will be eligible, in the discretion of the Resolute Board, to receive an annual performance-based bonus with a target of 100% of base salary, which will be paid by Resolute Holdings; eligibility for the annual performance-based bonus started when you initially commenced employment with CompoSecure.

Annual Equity Awards. The equity grant in the form of options to purchase common stock of CompoSecure (the "Options") that you received in connection with your offer of employment with CompoSecure will continue to vest under the terms of the CompoSecure, Inc. 2021 Incentive Equity Plan (as amended) and the applicable option award agreement. The vesting of the Options will accelerate upon a termination of employment without Cause, a termination due to death or disability or resignation for Good Reason (each, as defined in Exhibit A hereto); provided, however, that the transfer of your employment to Resolute Holdings pursuant to this letter, shall not be deemed a termination of employment for purposes of the accelerated vesting or forfeiture under the applicable option award agreement and shall be adjusted as further described in the Separation and Distribution Agreement by and between CompoSecure and Resolute Holdings. You will remain eligible for annual grants of Options or other equity incentive awards as determined by Resolute Holdings.

You will not be entitled to any additional compensation with respect to your service as a director on the CompoSecure Board or the Resolute Board.

OTHER EXECUTIVE BENEFITS

You will also be entitled to the following Executive Benefits:

- *Benefits:* You will be eligible to participate in substantially the same plans and programs made available by CompoSecure prior to the Spin-Off, and Resolute Holdings following the Spin-Off, to its employees generally from time to time in accordance with their terms.

- *Vacation:* You will be entitled to four weeks of paid vacation per calendar year.

- *Severance:* You will not be entitled to any severance cash payments or benefits following termination of your employment for any reason.

- *Expenses:* You will be reimbursed for your validly incurred reasonable business expenses upon the proper completion and timely submission of requisite forms and receipts to the Company in accordance with the Company's business expense reimbursement policy.

CONFIDENTIALITY & INTELLECTUAL PROPERTY

Disclosure of Confidential Information. You agree that you will, and will direct your attorneys, accountants, auditors, trustees, consultants, trustees, affiliates, advisors and family members (collectively, "Representatives"), as applicable, who have access to Confidential Information (as defined in Exhibit A hereto) to keep strictly confidential and not disclose any Confidential Information without the express consent of the Company, unless one or more of the following circumstances applies, in which case, you will, and will direct your Representatives to, disclose only the amount of Confidential Information required to be disclosed in order to satisfy such circumstance(s):

(i) such disclosure will be required by applicable law, governmental rule or regulation, court order, administrative or arbitral proceeding or by any bank or insurance regulatory authority having jurisdiction over such party;

(ii) such disclosure is requested by a governmental authority;

(iii) such disclosure is reasonably required in connection with any tax audit involving the Company or any of its affiliates; or

(iv) such disclosure is reasonably required in connection with any litigation against or involving the Company or any of its affiliates.

You acknowledge and agree that Confidential Information may be used by you and your Representatives only in connection with matters of the Company.

Notwithstanding anything to the contrary herein, nothing in this letter will prohibit you from (i) making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of federal law or regulation, (ii) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination, and (iii) disclosing any trade secret (A) in confidence 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 (B) in a complaint or other document that is filed under seal in a lawsuit or other proceeding; nothing herein will require notification to, or prior approval by, the Company of any reporting described in the preceding clauses (i), (ii) and (iii).

Works. You acknowledge that your work on and contributions to documents, programs, methodologies, protocols and other expressions in any tangible medium (including, without limitation, all business ideas and methods, inventions, innovations, developments, procedures or processes, market research, databases and other works of authorship) which have been or will be prepared by you, or to which you have contributed or will contribute, in connection with your services to CompoSecure or Resolute Holdings (collectively, "Works"), are and will be within the scope of your employment and part of your duties and responsibilities. You agree that you hereby assign, grant and deliver exclusively and throughout the world to Resolute Holdings all rights, titles and interests in and to any such Works.

RESTRICTIVE COVENANTS

You acknowledge and agree that you will be subject to the restrictive covenants attached hereto as Exhibit B.

ADDITIONAL PROVISIONS

Section 409A. The intent of the parties is that the payments and benefits under this letter comply with or be exempt from Section 409A of the Internal Revenue Code of 1986 (the "Code") and the regulations and guidance promulgated thereunder (collectively, "Section 409A") and, accordingly, to the maximum extent permitted, this letter will be interpreted to be in compliance therewith. You agree that you will be solely responsible and liable for the satisfaction of all taxes, interest and penalties that may be imposed on you or for your account in connection with any payment or benefit under this letter (including any taxes, interest and penalties under Section 409A), and the Company will not have an obligation to indemnify or otherwise hold you (or any beneficiary successor or assign) harmless from any or all such taxes, interest or penalties.

Section 280G. If a change in control of the Company occurs and any payment or benefit made under this letter or any other agreements providing you rights to compensation or equity would constitute a "parachute payment" within the meaning of Section 280G of the Code, each payment or benefit will be reduced to the maximum amount that does not trigger the excise tax under Section 4999 of the Code unless you would be better off (on an after-tax basis) receiving all payments and benefits and paying all excise and income taxes.

Withholding Taxes. Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this letter such federal, state and local income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

Cooperation. You agree that upon termination of employment for any reason, you will reasonably cooperate in assuring an orderly transition of all matters being handled by you and will assist in any litigation proceedings if reasonably requested by the Company.

Representations. In accepting this letter, you represent as follows: (i) you are not subject to any employment agreement or non-compete obligation that would preclude the Company from employing or engaging you in your position; (ii) you will not disclose to the Company or otherwise use any trade secrets or proprietary information from your prior places of employment, other than those trade secrets transferred from CompoSecure to Resolute Holdings in connection with the Spin-Off; and (iii) you will not refer to or otherwise solicit for employment at the Company any former coworkers or others in contravention of any non-solicitation obligations still in effect.

Counterparts. This letter may be executed in any number of counterparts, each of which will be deemed an original as against any party whose signature appears thereon, and all of which together will constitute one and the same instrument.

Modification. This letter may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this letter, which agreement is executed by both of the parties hereto.

Governing Law. This letter will be governed by and construed in accordance with the laws of the United States and the State of Delaware applicable to contracts made and to be performed wholly therein, and without regard to the conflicts of laws principles that would result in the application of the laws of another jurisdiction.

Entire Agreement. This letter supersedes all prior and contemporaneous oral or written, express or implied understandings or agreements regarding your employment or engagement with the Company or any of its affiliates, and contains the entire agreement between you and the Company regarding your employment or engagement with the Company.

[Remainder of this page is intentionally left blank]

ACCEPTANCE OF OFFER

Please indicate your acceptance of this offer by signing this letter in the space provided and returning it via Adobe.

RESOLUTE HOLDINGS MANAGEMENT, INC.

David M. Cote
Executive Chairman

COMPOSECURE, L.L.C.

Jonathan Wilk
Chief Executive Officer

ACKNOWLEDGED AND AGREED:

Thomas R. Knott

Date:

EXHIBIT A
DEFINITIONS

"Cause" will mean:

(i) your conviction (after all appeals have been exhausted), guilty plea, or plea of *nolo contendere* of or to, a felony charge;

(ii) your conviction (after all appeals have been exhausted), guilty plea, or plea of *nolo contendere* of or to, a crime involving fraud or embezzlement that causes material harm to Resolute Holdings or its stockholders; or

(iii) willful and continued abuse or neglect of your position that exists for thirty (30) days after a majority of the Resolute Board delivers to you written demand that such abuse or neglect by you of your position cease and desist, where such written demand specifically identifies the manner in which such majority of the Resolute Board believes that you have so abused or neglected your position.

For purposes hereof, no act or failure to act on your part will be considered "willful abuse or neglect" unless done or omitted to be done by you in bad faith or without a reasonable belief that such act or omission was consistent with your responsibilities and in the best interest of Resolute Holdings.

"Confidential Information" will mean all non-public information concerning the Company, its subsidiaries and affiliates and their respective investment advisors and/or consultants, or any past and present officers, directors, partners, members, shareholders, employees, business partners, attorneys, representatives, agents, predecessors, successors and assigns of the foregoing, in each case, in whatever form such information is received, which includes, without limiting the generality of the foregoing, information that is stored in documents, text, text messages, pictures, videos or voice recordings. Confidential Information includes, but is not limited to, the following:

(i) performance of the businesses managed by the Company and its subsidiaries and/or affiliates, the strategies or techniques utilized by the foregoing, and the substance of any conversations concerning the analysis undertaken, actions taken or opinions expressed by personnel of the foregoing;

(ii) compensation of personnel of the Company and its subsidiaries and/or affiliates and financial information with respect to any of the foregoing;

(iii) proprietary technology, uses and techniques utilized within the Company and its subsidiaries and/or affiliates, including source code, related algorithms, the form and format of output and their use and application within the Company and its subsidiaries and/or affiliates;

(iv) training materials developed by and/or provided to the Company and its subsidiaries and/or affiliates;

(v) the financial performance of the Company and its subsidiaries and/or affiliates, including their respective revenues, expenses and earnings (to the extent not publicly disclosed);

(vi) any "trade secret" (as defined by applicable state law); and

(vii) any other information that you acquire as a result of your employment and that you have a reasonable basis to believe the Company would not want disclosed to a competitor, the general public or any person that is not an employee of the Company or its subsidiaries and/or affiliates.

Confidential Information will not include information that (x) is already available through publicly available sources of information (other than as a result of disclosure by you in violation of this letter); (y) was available to you on a non-confidential basis prior to its disclosure; or (z) becomes available to you on a non-confidential basis from a third-party.

"Good Reason" means any of the following actions taken by Resolute Holdings without your express written consent:

(i) any material reduction in your annual base salary, annual bonus opportunity or total compensation opportunity;

(ii) any material diminution of your duties, responsibilities, authority, positions or titles;

(iii) Resolute Holdings requiring you to be based at any location more than a 30 mile radius from your primary office for Resolute Holdings; or

(iv) any material breach by Resolute Holdings of any material term or provision of this letter;

provided, however, that none of the events described in the foregoing clauses will constitute Good Reason unless you have notified Resolute Holdings in writing describing the events that constitute Good Reason within 30 calendar days following the first occurrence of such events and then only if Resolute Holdings fails to cure such events within 30 calendar days after the receipt of such written notice, and you will have terminated your employment with Resolute Holdings promptly following the expiration of such cure period.

"Term" will mean the period starting on the Effective Date and ending upon termination of your employment by you or by Resolute Holdings for any reason.

EXHIBIT B

RESTRICTIVE COVENANTS

1. **Non-Competition**. You hereby acknowledge and agree that you will not, at any time from the date hereof until the date that is twelve (12) months after the date on which you cease to be an employee or service provider of the Company (the "Non-Compete Period"), without the prior express written permission of the Company, directly or indirectly (either alone or jointly with or on behalf of any third party and whether on such entity's own account or as a principal, partner, member, shareholder, director, employee, consultant, agent or independent contractor for another person): (i) engage in any manner in any business, venture or activity that competes, directly or indirectly, with any business of the Company, any of its affiliates or any of its affiliated investments (a "Competing Business"), either in the United States or in any other place in the world; (ii) render any material services unrelated to investments or investment management to a Competing Business if such services would be materially injurious to the financial condition or business reputation of the Company or its affiliates; or (iii) acquire a financial interest in any Competing Business; provided, however, that nothing in this Section 1 will prevent you from acquiring, solely as a passive investment and through market purchases, less than 2% of the outstanding equity securities of any corporation that is registered under Section 12(b) of Section 12(g) of the Securities Exchange Act of 1934, as amended, or other entity that is registered under similar applicable law in any non-U.S. jurisdiction and that is publicly traded so long as you are not part of any control group of such corporation. So that the Company may enjoy the full benefit of the covenants contained in this Exhibit B, you further agree that the Non-Compete Period will be tolled, and will not run, during the period of any breach by you of any of the covenants contained in this Exhibit B. Notwithstanding the foregoing, restrictions under this Section 1 will not apply if you are terminated by the Company without Cause or if you resign for Good Reason.

2. **Non-Solicitation**. You hereby acknowledge and agree that you will not, during the Non-Compete Period, directly or indirectly, through any third-party (including through a fund, partnership, company or similar entity), without the prior express written permission of the Company: (i) hire, solicit, recruit or induce (or attempt to hire, solicit, recruit or induce) any person (A) while he or she is an employee, partner or member of the Company and/or any of its affiliates or (B) who was an employee, partner or member of the Company and/or any of its affiliates at any time during the twelve (12) months prior to the date of termination of your employment or engagement; or (ii) encourage any such person described in this Section 2 to terminate their employment, partnership or membership with the Company and/or any of its affiliates; provided, however, that nothing in this Section 2 will prohibit you from making a general, public solicitation for employment (including via social media), or using an employee recruiting or search firm to conduct a search that does not specifically target employees or other service providers to the Company and/or its affiliates (but you will be prohibited from hiring or employing any such employee who responds to such solicitation or recruiting).

3. **Non-Disparagement**. You hereby acknowledge and agree that you will not directly or indirectly issue or communicate any public statement, or statement likely to become public, that maligns, denigrates or disparages the Company or any directors, officers or employees of the Company; provided, that you may (i) confer in confidence with your legal representatives, (ii) make truthful responses to legal process or governmental inquiry and truthful statements required to correct any inaccurate or misleading statement made by others regarding you or your employment with or other service to the Company, (iii) make normal commercial competitive-type statements in a competitive business situation not based on your employment with the Company (to the extent such business situation does not otherwise violate the terms of Sections 1 (Non-Competition) or 2 (Non-Solicitation)) and (iv) make statements in the good faith performance of your duties to the Company; provided, further, that if you violate this Section 3 and such violation does not harm the Company's business or reputation, such violation alone will not be a breach of this Section 3.

4. **Investment Opportunities**. You hereby acknowledge and agree that if an investment opportunity is presented to you and you believe in good faith such investment opportunity may be appropriate for the Company and/or its affiliates, then you will first offer such investment opportunity to the Company and/or its affiliates, and not pursue such investment opportunity unless the Company affirmatively declines to pursue such investment opportunity. You further acknowledge and agree that if you cease to be an employee or service provider of the Company for any reason, you will not pursue any such transaction or investment opportunity or any other transaction that you became aware of or that was otherwise discussed while you were employed or engaged by or otherwise affiliated with the Company and/or any of its affiliates.

5. **Severability**. The covenants in this Exhibit B are severable and separate, and the unenforceability of any specific covenant will not affect the provisions of any other covenant. If any provision of this Exhibit B relating to the time period, scope, or geographic area of the restrictive covenants will be declared by a court of competent jurisdiction or arbitrator to exceed the maximum time period, scope, or geographic area, as applicable, that such court or arbitrator deems reasonable and enforceable, then this Exhibit B will automatically be considered to have been amended and revised to reflect such determination.

6. **Independent Covenants**. All of the covenants in this Exhibit B will be construed as an agreement independent of any other provisions of this Exhibit B or of the letter to which it is attached, and the existence of any claim or cause of action that you may have against the Company or any of its affiliates, whether predicated on this Exhibit B or otherwise, will not constitute a defense to the enforcement by the Company of such covenants.

7. **Reasonableness**. By executing the letter to which this Exhibit B is attached, you acknowledge that you have carefully read and considered the provisions of this Exhibit B and, having done so, agree that these restrictive covenants impose a fair and reasonable restraint on you and are reasonably required to protect the Confidential Information, business and/or goodwill of the Company, its affiliates and their respective officers, directors, employees, and equityholders.

Exhibit 10.7

__, 2025

Mr. Kurt Schoen
By email

Dear Kurt:

In connection with the spin-off (the "Spin-Off") of Resolute Holdings Management, Inc. ("Resolute Holdings") to shareholders of CompoSecure, Inc. ("CompoSecure"), I am pleased to confirm our offer to you to become the Chief Financial Officer of Resolute Holdings and assume the roles and positions described below. Following the Spin-Off, your employment will transfer to Resolute Holdings, while you continue to provide services to CompoSecure.

The effective date of your employment with Resolute Holdings will be the effective date of the Spin-Off (the "Effective Date"), subject to the terms and conditions of this amended and restated letter agreement (this "letter"). "Company", as used in this letter, refers to Resolute Holdings.

ROLES, DUTIES & RESPONSIBILITIES

You will have duties, responsibilities and obligations customarily assigned to similarly situated employees at comparable businesses, as reasonably determined by the Executive Chairman of Resolute Holdings.

During the Term (as defined in Exhibit A), your principal office will be based in New York.

You will continue to be entitled to the following compensation and benefits package, as approved by the Compensation Committee of the board of directors of Resolute Holdings (the "Resolute Board").

COMPENSATION

Base Salary. As of the Effective Date, your annual base salary will be $500,000, which will be paid by Resolute Holdings.

Annual Bonus. You will be eligible, in the discretion of the Resolute Board, to receive an annual performance-based bonus with a target of 100% of base salary, which will be paid by Resolute Holdings; eligibility for the annual performance-based bonus started when you initially commenced employment with CompoSecure.

Annual Equity Awards. The equity grant in the form of restricted stock units of CompoSecure (the "Sign-On RSUs") that you received in connection with your offer of employment with CompoSecure will continue to vest under the terms of the CompoSecure, Inc. 2021 Incentive Equity Plan (as amended) and the applicable restricted stock unit award agreement and shall be adjusted as further described in the Separation and Distribution Agreement by and between CompoSecure and Resolute Holdings. The vesting of the Sign-On RSUs will accelerate upon a termination due to death or disability. You will remain eligible for annual grants of restricted stock units or other equity incentive awards as determined by Resolute Holdings.

OTHER EMPLOYEE BENEFITS

You will also be entitled to the following Employee Benefits:

- *Benefits:* You will be eligible to participate in substantially the same plans and programs made available by CompoSecure prior to the Spin-Off, and Resolute Holdings following the Spin-Off, to its employees generally from time to time in accordance with their terms.

- *Vacation:* You will be entitled to four weeks of paid vacation per calendar year.

- *Severance:* Upon a termination by the Employer without Cause, you will be entitled to 3 months' base salary, payable in a lump sum as soon as practicable following termination of your employment, and a prorated portion of the Sign-On RSUs will accelerate and vest, determined based on the number of days you were employed during the vesting period in which such termination occurs, in each case, subject to your execution and non-revocation of a release of claims in favor of the Employer in a form provided by the Employer and your compliance with the restrictive covenants contained in this letter (including the restrictive covenants attached hereto as Exhibit B).

- *Expenses:* You will be reimbursed for your validly incurred reasonable business expenses upon the proper completion and timely submission of requisite forms and receipts to the Company in accordance with the Company's business expense reimbursement policy.

CONFIDENTIALITY & INTELLECTUAL PROPERTY

Disclosure of Confidential Information. You agree that you will, and will direct your attorneys, accountants, auditors, trustees, consultants, trustees, affiliates, advisors and family members (collectively, "Representatives"), as applicable, who have access to Confidential Information (as defined in Exhibit A hereto) to keep strictly confidential and not disclose any Confidential Information without the express consent of the Company, unless one or more of the following circumstances applies, in which case, you will, and will direct your Representatives to, disclose only the amount of Confidential Information required to be disclosed in order to satisfy such circumstance(s):

(i) such disclosure will be required by applicable law, governmental rule or regulation, court order, administrative or arbitral proceeding or by any bank or insurance regulatory authority having jurisdiction over such party;

(ii) such disclosure is requested by a governmental authority;

(iii) such disclosure is reasonably required in connection with any tax audit involving the Company or any of its affiliates; or

(iv) such disclosure is reasonably required in connection with any litigation against or involving the Company or any of its affiliates.

You acknowledge and agree that Confidential Information may be used by you and your Representatives only in connection with matters of the Company.

Notwithstanding anything to the contrary herein, nothing in this letter will prohibit you from (i) making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of federal law or regulation, (ii) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination, and (iii) disclosing any trade secret (A) in confidence 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 (B) in a complaint or other document that is filed under seal in a lawsuit or other proceeding; nothing herein will require notification to, or prior approval by, the Company of any reporting described in the preceding clauses (i), (ii) and (iii).

Works. You acknowledge that your work on and contributions to documents, programs, methodologies, protocols and other expressions in any tangible medium (including, without limitation, all business ideas and methods, inventions, innovations, developments, procedures or processes, market research, databases and other works of authorship) which have been or will be prepared by you, or to which you have contributed or will contribute, in connection with your services to the Company (collectively, "Works"), are and will be within the scope of your employment and part of your duties and responsibilities. You agree that you hereby assign, grant and deliver exclusively and throughout the world to the Company all rights, titles and interests in and to any such Works.

RESTRICTIVE COVENANTS

You acknowledge and agree that you will be subject to the restrictive covenants attached hereto as Exhibit B.

ADDITIONAL PROVISIONS

Section 409A. The intent of the parties is that the payments and benefits under this letter comply with or be exempt from Section 409A of the Internal Revenue Code of 1986 (the "Code") and the regulations and guidance promulgated thereunder (collectively, "Section 409A") and, accordingly, to the maximum extent permitted, this letter will be interpreted to be in compliance therewith. You agree that you will be solely responsible and liable for the satisfaction of all taxes, interest and penalties that may be imposed on you or for your account in connection with any payment or benefit under this letter (including any taxes, interest and penalties under Section 409A), and the Company will not have an obligation to indemnify or otherwise hold you (or any beneficiary successor or assign) harmless from any or all such taxes, interest or penalties.

Section 280G. If a change in control of the Company occurs and any payment or benefit made under this letter or any other agreements providing you rights to compensation or equity would constitute a "parachute payment" within the meaning of Section 280G of the Code, each payment or benefit will be reduced to the maximum amount that does not trigger the excise tax under Section 4999 of the Code unless you would be better off (on an after-tax basis) receiving all payments and benefits and paying all excise and income taxes.

Withholding Taxes. Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this letter such federal, state and local income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

Cooperation. You agree that upon termination of employment for any reason, you will reasonably cooperate in assuring an orderly transition of all matters being handled by you and will assist in any litigation proceedings if reasonably requested by the Company.

Representations. In accepting this letter, you represent as follows: (i) you are not subject to any employment agreement or non-compete obligation that would preclude the Company from employing or engaging you in your position; (ii) you will not disclose to the Company or otherwise use any trade secrets or proprietary information from your prior places of employment, other than those trade secrets transferred from CompoSecure to Resolute Holdings in connection with the Spin-Off; and (iii) you will not refer to or otherwise solicit for employment at the Company any former coworkers or others in contravention of any non-solicitation obligations still in effect.

Counterparts. This letter may be executed in any number of counterparts, each of which will be deemed an original as against any party whose signature appears thereon, and all of which together will constitute one and the same instrument.

Modification. This letter may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this letter, which agreement is executed by both of the parties hereto.

Governing Law. This letter will be governed by and construed in accordance with the laws of the United States and the State of Delaware applicable to contracts made and to be performed wholly therein, and without regard to the conflicts of laws principles that would result in the application of the laws of another jurisdiction.

Entire Agreement. This letter supersedes all prior and contemporaneous oral or written, express or implied understandings or agreements regarding your employment with the Company or any of its affiliates, and contains the entire agreement between you and the Company regarding your employment with the Company.

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ACCEPTANCE OF OFFER

Please indicate your acceptance of this offer by signing this letter in the space provided and returning it to via Adobe.

RESOLUTE HOLDINGS MANAGEMENT, INC.

_____
David M. Cote
Executive Chairman

COMPOSECURE, L.L.C.

_____
Jonathan Wilk
Chief Executive Officer

ACKNOWLEDGED AND AGREED:

_____
Kurt Schoen

_____
Date:

EXHIBIT A
DEFINITIONS

"Cause" will mean:

(i) your breach of any employment or service contract with the Company (including this letter);

(ii) your engagement in disloyalty to the Company, including, without limitation, fraud, embezzlement, theft, commission of a felony or proven dishonesty;

(iii) disclosure of trade secrets or confidential information of the Company to any natural person, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, governmental authority or other legal entity of any nature whatsoever not entitled to receive such information;

(iv) your breach of any written non-competition, non-solicitation, invention assignment or confidentiality agreement between you and the Company; or

(v) your engagement in such other behavior that is detrimental to the interests of the Company as determined by the Company.

"Confidential Information" will mean all non-public information concerning the Company, its subsidiaries and affiliates and their respective investment advisors and/or consultants, or any past and present officers, directors, partners, members, shareholders, employees, business partners, attorneys, representatives, agents, predecessors, successors and assigns of the foregoing, in each case, in whatever form such information is received, which includes, without limiting the generality of the foregoing, information that is stored in documents, text, text messages, pictures, videos or voice recordings. Confidential Information includes, but is not limited to, the following:

(i) performance of the businesses managed by the Company and its subsidiaries and/or affiliates, the strategies or techniques utilized by the foregoing, and the substance of any conversations concerning the analysis undertaken, actions taken or opinions expressed by personnel of the foregoing;

(ii) compensation of personnel of the Company and its subsidiaries and/or affiliates and financial information with respect to any of the foregoing;

(iii) proprietary technology, uses and techniques utilized within the Company and its subsidiaries and/or affiliates, including source code, related algorithms, the form and format of output and their use and application within the Company and its subsidiaries and/or affiliates;

(iv) training materials developed by and/or provided to the Company and its subsidiaries and/or affiliates;

(v) the financial performance of the Company and its subsidiaries and/or affiliates, including their respective revenues, expenses and earnings (to the extent not publicly disclosed);

(vi) any "trade secret" (as defined by applicable state law), and

(vii) any other information that you acquire as a result of your employment and that you have a reasonable basis to believe the Company would not want disclosed to a competitor, the general public or any person that is not an employee of the Company or its subsidiaries and/or affiliates.

Confidential Information will not include information that (x) is already available through publicly available sources of information (other than as a result of disclosure by you in violation of this letter); (y) was available to you on a non-confidential basis prior to its disclosure; or (z) becomes available to you on a non-confidential basis from a third-party.

"Term" will mean the period starting on the Effective Date and ending upon termination of your employment by you or by Resolute Holdings for any reason.

EXHIBIT B

RESTRICTIVE COVENANTS

1. **Non-Competition**. You hereby acknowledge and agree that you will not, at any time from the date hereof until the date that is twenty-four (24) months after the date on which you cease to be an employee or service provider of the Company (the "Non-Compete Period"), without the prior express written permission of the Company, directly or indirectly (either alone or jointly with or on behalf of any third party and whether on such entity's own account or as a principal, partner, member, shareholder, director, employee, consultant, agent or independent contractor for another person): (i) engage in any manner in any business, venture or activity that competes, directly or indirectly, with any business of the Company, any of its affiliates or any of its affiliated investments (a "Competing Business"), either in the United States or in any other place in the world; (ii) render any material services unrelated to investments or investment management to a Competing Business if such services would be materially injurious to the financial condition or business reputation of the Company or its affiliates; or (iii) acquire a financial interest in any Competing Business; provided, however, that nothing in this Section 1 will prevent you from acquiring, solely as a passive investment and through market purchases, less than 2% of the outstanding equity securities of any corporation that is registered under Section 12(b) of Section 12(g) of the Securities Exchange Act of 1934, as amended, or other entity that is registered under similar applicable law in any non-U.S. jurisdiction and that is publicly traded so long as you are not part of any control group of such corporation. So that the Company may enjoy the full benefit of the covenants contained in this Exhibit B, you further agree that the Non-Compete Period will be tolled, and will not run, during the period of any breach by you of any of the covenants contained in this Exhibit B.

2. **Non-Solicitation**. You hereby acknowledge and agree that you will not, during the Non-Compete Period, directly or indirectly, through any third-party (including through a fund, partnership, company or similar entity), without the prior express written permission of the Company: (i) hire, solicit, recruit or induce (or attempt to hire, solicit, recruit or induce) any person (A) while he or she is an employee, partner or member of the Company and/or any of its affiliates or (B) who was an employee, partner or member of the Company and/or any of its affiliates at any time during the twelve (12) months prior to the date of termination of your employment; or (ii) encourage any such person described in this Section 2 to terminate their employment, partnership or membership with the Company and/or any of its affiliates; provided, however, that nothing in this Section 2 will prohibit you from making a general, public solicitation for employment (including via social media), or using an employee recruiting or search firm to conduct a search that does not specifically target employees or other service providers to the Company and/or its affiliates (but you will be prohibited from hiring or employing any such employee who responds to such solicitation or recruiting).

3. **Non-Disparagement**. You hereby acknowledge and agree that you will not directly or indirectly issue or communicate any public statement, or statement likely to become public, that maligns, denigrates or disparages the Company or any directors, officers or employees of the Company; provided, that you may (i) confer in confidence with your legal representatives, (ii) make truthful responses to legal process or governmental inquiry and truthful statements required to correct any inaccurate or misleading statement made by others regarding you or your employment with or other service to the Company, (iii) make normal commercial competitive-type statements in a competitive business situation not based on your employment with the Company (to the extent such business situation does not otherwise violate the terms of Sections 1 (Non-Competition) or 2 (Non-Solicitation)) and (iv) make statements in the good faith performance of your duties to the Company; provided, further, that if you violate this Section 3 and such violation does not harm the Company's business or reputation, such violation alone will not be a breach of this Section 3.

4. **Investment Opportunities**. You hereby acknowledge and agree that if an investment opportunity is presented to you and you believe in good faith such investment opportunity may be appropriate for the Company and/or its affiliates, then you will first offer such investment opportunity to the Company and/or its affiliates, and not pursue such investment opportunity unless the Company affirmatively declines to pursue such investment opportunity. You further acknowledge and agree that if you cease to be an employee of the Company for any reason, you will not pursue any such transaction or investment opportunity or any other transaction that you became aware of or that was otherwise discussed while you were employed or engaged by or otherwise affiliated with the Company and/or any of its affiliates.

5. **Severability**. The covenants in this Exhibit B are severable and separate, and the unenforceability of any specific covenant will not affect the provisions of any other covenant. If any provision of this Exhibit B relating to the time period, scope, or geographic area of the restrictive covenants will be declared by a court of competent jurisdiction or arbitrator to exceed the maximum time period, scope, or geographic area, as applicable, that such court or arbitrator deems reasonable and enforceable, then this Exhibit B will automatically be considered to have been amended and revised to reflect such determination.

6. **Independent Covenants**. All of the covenants in this Exhibit B will be construed as an agreement independent of any other provisions of this Exhibit B or of the letter to which it is attached, and the existence of any claim or cause of action that you may have against the Company or any of its affiliates, whether predicated on this Exhibit B or otherwise, will not constitute a defense to the enforcement by the Company of such covenants.

7. **Reasonableness**. By executing the letter to which this Exhibit B is attached, you acknowledge that you have carefully read and considered the provisions of this Exhibit B and, having done so, agree that these restrictive covenants impose a fair and reasonable restraint on you and are reasonably required to protect the Confidential Information, business and/or goodwill of the Company, its affiliates and their respective officers, directors, employees, and equityholders.

Exhibit 10.8

U.S. State and Local Tax Sharing Agreement

This U.S. STATE AND LOCAL TAX SHARING AGREEMENT, dated as of ____, 2025 (this **"Agreement"**)< is entered into by and between CompoSecure, Inc., a Delaware corporation ("**Parent**"), and Resolute Holdings Management, Inc., ("**SpinCo**"), a Delaware corporation ("**SpinCo**", and together with Parent, the "**Companies**", and each a "**Company**"). Each of Parent and SpinCo is sometimes referred to herein as a "**Party**" and, collectively, the "**Parties**".

Recitals

WHEREAS, pursuant to that certain Separation and Distribution Agreement by and between the Parties, dated as of ____, 2025 (the "**Separation and Distribution Agreement**"), Parent intends to distribute 100 percent of the stock of SpinCo to its shareholders on a pro rata basis (the "**Spin-Off**");

WHEREAS, after the Spin-Off, Parent, and its affiliates, on the one hand, and SpinCo, and its affiliates, on the other hand, may be required to file certain Combined US State and Local Tax Returns (as defined below); and

WHEREAS, Parent, and its affiliates, on the one hand, and SpinCo and its affiliates, on the other hand, wish to allocate Tax assets and liabilities between themselves for taxable periods ending after the Closing Date (defined below).

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions, covenants and provisions of this Agreement, each of the Parties mutually covenants and agrees as follows:

Section 1. Definitions.

For purposes of this Agreement (including the recitals hereof), the following terms have the following meanings:

"Affiliate" means any entity that is directly or indirectly Controlled by either the person in question or an Affiliate of such person; provided, that neither Parent nor SpinCo shall be considered an Affiliate of the other. As used in this paragraph, "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract or otherwise;

"**Apportionment Factor**" means a ratio determined by a relevant taxing jurisdiction's apportionment formula, including where applicable, sales, property and payroll tax factors.

"**Benefited Party**" shall have the meaning set forth in Section 3.04(c) of this Agreement;

"**Business Day**" means any day other than a Saturday, a Sunday, or a day on which the Federal Reserve Bank of New York is closed;

"**Claiming Company**" shall have the meaning set forth in Section 3.04(a) of this Agreement;

"**Closing**" means the completion of the Spin-Off pursuant to the Separation and Distribution Agreement (as amended and restated from time to time);

"**Closing Date**" means the date on which Closing takes place;

"**Code**" means the US Internal Revenue Code of 1986, as amended;

"**Combined US State and Local Tax Returns"** means a Tax Return which (i) relates to any arrangement (whether in place by reason of law, agreement or otherwise) with any Tax Authority in relation to US state Taxes (or any Taxes of any political subdivision thereof), (ii) relates to both the business of one or more members of the Parent Group and the business of one or more members of the SpinCo Group and (iii) uses a unitary combined apportionment methodology;

"**Controlling Company**" shall have the meaning set forth in Section 7.02(a) of this Agreement;

"**Dispute**" shall have the meaning set forth in Section 10.01 of this Agreement;

"**Due Date**" means the date (taking into account all valid extensions) upon which a Tax Return is required to be filed with or Taxes are required to be paid to a Tax Authority, whichever is applicable;

"**Final Determination**" means the final resolution of liability for any Tax, which resolution may be for a specific issue or adjustment or for a taxable period, (a) by a form comparable to IRS Form 870 or 870- AD (or any successor forms thereto), on the date of acceptance by or on behalf of the taxpayer, under the laws of a State (or political subdivision thereof), except that a form shall not constitute a Final Determination to the extent that it reserves (whether by its terms or by operation of law) the right of the taxpayer to file a claim for refund or the right of the Tax Authority to assert a further deficiency in respect of such issue or adjustment or for such taxable period (as the case may be); (b) by a decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and unappealable; (c) by a closing agreement or accepted offer in compromise under the laws of a State (or political subdivision thereof) comparable to Sections 7121 or 7122 of the Code; (d) by any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund may be recovered (including by way of offset) by the jurisdiction imposing such Tax; or (e) by any other final disposition, including by reason of the expiration of the applicable statute of limitations or by mutual agreement of the Parties;

"**Group**" means the Parent Group or the SpinCo Group, or both, as the context requires;

"**Indemnitee**" shall have the meaning set forth in Section 9 of this Agreement;

"**Indemnitor**" shall have the meaning set forth in Section 9 of this Agreement;

"**Non-Controlling Company**" shall have the meaning set forth in Section 7.02(b) of this Agreement;

"**Parent**" has the meaning set forth in the first sentence of this Agreement;

"**Parent Business**" means all of the businesses and operations conducted by the Parent Group, excluding the SpinCo Business, at any time, whether prior to or after the Spin-Off;

"**Parent Group**" means Parent and its Affiliates, excluding any entity that is a member of the SpinCo Group;

"**Payor**" shall have the meaning set forth in Section 4.02(a) of this Agreement;

"**Person**" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof, without regard to whether any entity is treated as disregarded for US federal income tax purposes;

"**Post-Closing Tax Benefits**" means Tax Benefits attributable to any Tax period beginning after the Closing Date, and, in the case of any Straddle Period, the portion of such Straddle Period beginning the day after the Closing Date;

"**Post-Closing Taxes**" means Taxes attributable to any Tax period beginning after the Closing Date, and, in the case of any Straddle Period, the portion of such Straddle Period beginning the day after the Closing Date;

"**Preliminary Tax Advisor**" shall have the meaning set forth in Section 10.02 of this Agreement;

"**Refunds**" means any refund (or credit in lieu thereof) of Taxes (including any overpayment of Taxes) that can be refunded or, alternatively, applied to other Taxes payable, including any interest paid on or with respect to such refund of Taxes;

"**Relevant Presence Ratio**" means, with respect to each Group, a fraction determined by dividing the sum of the Apportionment Factor numerators of the each entity in such Group with nexus in the jurisdiction (in states employing a "Finnigan" apportionment methodology, also including the nexus entity's share of Apportionment Factor numerators from non-nexus members of the applicable Group as determined using the ratio of the nexus entity's Apportionment Factor numerator over the aggregate of the Apportionment Factor numerators of all nexus entity's in such Group) by the unitary business group's combined Apportionment Factor denominator. For the avoidance of doubt, the operations and assets of a member of the Parent Group or the SpinCo Group will be taken into account for this purpose only to the extent the member is a member of the relevant consolidated, combined, unitary or similar Tax group.

"**Required Company**" shall have the meaning set forth in Section 4.02(a) of this Agreement;

"**Responsible Company**" means the Company having responsibility for preparing and filing the relevant Combined US State and Local Tax Return pursuant to Section 3.02;

"**SpinCo**" has the meaning set forth in the first sentence of this Agreement;

"**SpinCo Business**" means the business and operations conducted by the SpinCo Group as such business and operations will continue after the Spin-Off; and

"**SpinCo Group**" means SpinCo and its Affiliates, as determined after the Spin-Off.

"**Straddle Period**" means any period relevant for Taxes commencing on or before the Closing Date but ending after the Closing Date;

"**State**" means any state of the United States, the District of Columbia, and any territory of the United States;

"**Taxes**" means any income, gross income, gross receipts, profits, capital stock, franchise, withholding, payroll, social security, workers compensation, unemployment, disability, property, ad valorem, stamp, excise, severance, occupation, service, sales, use, license, lease, transfer, import, export, value added, escheat or unclaimed property liability, alternative minimum, estimated or other tax (including any fee, assessment, or other charge in the nature of or in lieu of any tax) imposed by any State or political subdivision thereof, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing;

"**Tax Advisor**" means a tax counsel or accountant of recognized standing in the relevant jurisdiction;

"**Tax Authority**" means, with respect to any Tax, the State or political subdivision thereof that imposes such Tax and the agency (if any) charged with the collection of such Tax for such State or subdivision;

"**Tax Benefit**" means a Tax Item that decreases the Tax liability of a taxpayer;

"**Tax Contest**" means an audit, review, examination, or any other administrative or judicial proceeding with the purpose or effect of redetermining Taxes (including any administrative or judicial review of any claim for refund);

"**Tax Item**" means any item of income, gain, loss, deduction, expense, or credit, or other attribute that may have the effect of increasing or decreasing any Tax;

"**Tax Records**" means any Tax Returns, Tax Return work papers, documentation relating to any Tax Contests, and any other books of account or records (whether or not in written, electronic or other tangible or intangible forms and whether or not stored on electronic or any other medium) required to be maintained under applicable Tax laws or under any record retention agreement with any Tax Authority;

"**Tax Return**" means any and all reports, returns, declaration forms and statements (including amendments thereto) filed or required to be filed with respect to Taxes, and any attachments thereto;

Section 2. Allocation of Tax Liabilities.

Section 2.01 General Rule.

(a) SpinCo shall be liable for, and shall indemnify and hold harmless the Parent Group against, (i) the Post-Closing Taxes attributable to the SpinCo Business (as determined pursuant to Section 2.02) that the Parent Group pays or is required to pay to the relevant Tax Authority as a result of one or more members of the SpinCo Group being or having been included in any affiliated, consolidated, combined, unitary or similar Tax group with one or more members of the Parent Group and (ii) the Tax Benefits attributable to the Parent Business that the SpinCo Group is treated as using in accordance with Section 2.03(a).

(b) Parent shall be liable for, and shall indemnify and hold harmless the SpinCo Group against, (i) any Taxes attributable to the Parent Business (as determined pursuant to Section 2.02) that the SpinCo Group pays or is required to pay to the relevant Tax Authority as a result of one or more members of the Parent Group being or having been included in any affiliated, consolidated, combined, unitary or similar Tax group with one or more members of the SpinCo Group and (ii) the Tax Benefits attributable to the SpinCo Business that the Parent Group is treated as using in accordance with Section 2.03(b).

Section 2.02 Attribution of Taxes and Tax Items.

(a) *General*. For purposes of this Agreement, each Tax and any Tax Items shall be apportioned between the Parent Business on the one hand and the SpinCo Business on the other (but not both) in proportion to each such Group's Relative Presence Ratio in the applicable jurisdiction.

(b) *Straddle Period Tax Allocation*. The allocation of income or deductions required to determine any Taxes or other amounts attributable to the portion of the Straddle Period ending on, or beginning after, the Closing Date shall be made by means of a closing of the books and records as of the close of the Closing Date; provided that exemptions, allowances or deductions that are calculated on an annual or periodic basis shall be allocated between such portions in proportion to the number of days in each such portion; provided, further, that real property and other property or similar periodic Taxes shall be apportioned on a per diem basis.

Section 2.03 Use of Tax Benefits.

(a) *Use of Parent Tax Benefits*. The SpinCo Group shall be treated as using Tax Benefits attributable to the Parent Business (as determined pursuant to Section 2.02) to the extent that Tax Benefits attributable to Parent Business reduce (i) Post-Closing Taxes attributable to, and payable by, SpinCo (or its Affiliates), computed on a "with and without basis" or (ii) Taxes payable by Parent (or its Affiliates) for which SpinCo would be liable pursuant to clause (i) of Section 2.01(a), computed on a "with and without" basis.

(b) *Use of SpinCo Tax Benefits*. The Parent Group shall be treated as using Tax Benefits attributable to the SpinCo Business (as determined pursuant to Section 2.02) to the extent that Post-Closing Tax Benefits attributable to the SpinCo Business reduce (i) Taxes payable by Parent (or its Affiliates), computed on a "with and without basis" or (ii) Taxes payable by SpinCo (or its Affiliates) for which Parent would be liable pursuant to clause (i) of Section 2.01(b), computed on a "with and without" basis.

Section 3. Preparation and Filing of Combined US State and Local Tax Returns.

Section 3.01 General. Combined US State and Local Tax Returns shall be prepared and filed when due (including extensions) in accordance with this Section 3. The Companies shall provide, and shall cause their Affiliates to provide, assistance and cooperation to one another in accordance with Section 5 with respect to the preparation and filing of such Tax Returns, including providing information required to be provided in Section 5. Each year the Parties shall assess whether the filing of any Combined US State and Local Tax Returns is required in one or more jurisdictions based on information available to them with respect to the overlapping ownership thereof with respect to all or a portion of the prior taxable year. The Parties shall cooperate in good faith to make such determination as soon as reasonably practicable so as to allow each Party sufficient time to prepare Combined US State and Local Tax Returns on such basis.

Section 3.02 Responsibility for Preparation and Filing and Payment of Taxes Shown Due.

(a) Parent shall prepare and file (or cause to be prepared and filed) any Combined US State and Local Tax Returns for any Tax Period ending after the Closing Date (a **"Post-Closing Tax Period"**) that is required by law to be filed by a member of the Parent Group.

(b) SpinCo shall prepare and file (or cause to be prepared and filed) any Combined US State and Local Tax Return for any Post-Closing Tax Period (i) that is required by law to be filed by any member of the SpinCo Group, or (ii) that is required by law and where the applicable law would allow for either a member of the Parent Group or a member of the SpinCo Group to file that Combined US State and Local Tax Return.

Section 3.03 Right to Review Combined US State and Local Tax Returns.

(a) Except as otherwise agreed by the Companies, no later than fifteen (15) days prior to the Due Date of each such Combined US State and Local Tax Return, the Responsible Company shall make available or cause to be made available drafts of such Tax Return (together with all related work papers) to the other Company. The other Company shall have access to any and all data and information necessary for the preparation of all such Tax Returns and the Companies shall cooperate fully in the preparation and review of such Tax Returns. Subject to the preceding sentence, no later than ten (10) days after receipt of such Tax Returns, the other Company shall have a right to object to such Tax Return (or items with respect thereto) by written notice to the Responsible Company; such written notice shall contain such disputed item (or items) and the basis for its objection.

(b) If a Company does object by proper written notice described in Section 3.03(a), the Companies shall act in good faith to resolve any such dispute as promptly as practicable; provided, however, that, notwithstanding anything to the contrary contained herein, if the Companies have not resolved the disputed item or items by the day five (5) days prior to the Due Date of such Tax Return, such Tax Return shall be filed as prepared pursuant to this Section 3.03 (revised to reflect all initially disputed items that the Companies have agreed upon prior to such date).

(c) In the event a Combined US State and Local Tax Return is filed that includes any disputed item for which proper notice was given pursuant to Section 3.03(a) that was not finally resolved and agreed upon, such disputed item (or items) shall be resolved in accordance with Section 10. In the event that the resolution of such disputed item (or items) in accordance with Section 10 with respect to a Tax Return is inconsistent with such Tax Return as filed, the Responsible Company (with cooperation from the other Company) shall, as promptly as practicable, amend such Tax Return to properly reflect the final resolution of the disputed item (or items). In the event that the amount of Taxes shown to be due and owing on a Tax Return is adjusted as a result of a resolution pursuant to Section 10, proper adjustment shall be made to the amounts previously paid or required to be paid in accordance with Section 4 in a manner that reflects such resolution.

Section 3.04 Refunds

(a) Each Company (and its Affiliates) (the "**Claiming Company**") shall be entitled to Refunds that relate to Taxes for which it (or its Affiliates) is liable, or that are generated by Tax Benefits that are attributable to it (or its affiliates), pursuant to this Agreement.

(b) To the extent a Company (or its Affiliates) applies or causes to be applied an overpayment of Taxes as a credit toward or a reduction in Taxes otherwise payable (or a Tax Authority requires such application in lieu of a Refund) and such Refund, if received, would have been payable by such Company to the Claiming Company pursuant to this Section 3.04, such Company shall be deemed to have actually received a Refund to the extent thereof on the Due Date of the Tax Return on which the overpayment is applied to reduce Taxes otherwise payable.

(c) In the event of an adjustment relating to Taxes pursuant to a Final Determination for which one Party is responsible under this Agreement which would have given rise to a Refund but for an offset against the Taxes for which the other Party is or may be responsible pursuant to this Agreement (the "**Benefited Party**"), then the Benefited Party shall pay to the other Party, within ten (10) days of such offset an amount equal to the amount of such reduction in the Taxes of the Benefited Party.

(d) Any Refund or portion thereof to which a Claiming Company is entitled pursuant to this Section 3.04 that is received or deemed to have been received as described herein by the other Company (or its Affiliates) shall be paid by such other Company to the Claiming Company within ten (10) days of the receipt or deemed receipt of such refund. Payments not made within the ten (10) day period shall bear interest computed at the rate per annum equal to the Wall Street Journal Prime Rate as published in The Wall Street Journal from time to time on the amount of the payment based on the number of days in the period beginning on the commencement of the ten (10) day period and ending on and including the date of payment.

(e) To the extent that the amount of any Refund is subsequently reduced, such reduction shall be allocated to the Party that was entitled to the Refund pursuant to this Section 3.04 and an appropriate adjusting payment shall be made by such Party to the other Party if the other Party originally paid the Refund to such Party. To the extent a Party does not agree with the amount of any Refund calculated by the other Party, the dispute shall be resolved in accordance with Section 10.

Section 4. Tax Payments.

Section 4.01 Payment of Taxes.

(a) *Computation and Payment of Tax Due*. Prior to the Due Date for any Combined US State and Local Tax Return, the Responsible Company shall compute the amount of Tax required to be paid to the applicable Tax Authority with respect to such Tax Return on such Due Date. The Responsible Company shall pay such amount to such Tax Authority on or before the Due Date. Prior to the Due Date or as soon as reasonably practicable following the Due Date, the Responsible Company shall provide notice to the other Company setting forth such other Company's responsibility for the amount of Taxes to be paid or paid to the Tax Authority and provide proof of payment of such Taxes.

(b) *Payment of Liability with Respect to Tax Due*. If the Responsible Company notifies the other Company at least fifteen (15) days prior to the Due Date of the amount of any Taxes due to any Tax Authority and allocable to it under the provisions of this Agreement, the other Company shall pay such amounts to the Responsible Company prior to the Due Date (or at the direction of the Responsible Company, to the Tax Authority). If the Responsible Company notifies the other Company less than fifteen (15) days prior to the Due Date of the amount of any Taxes due to any Tax Authority and allocable to it under the provisions of this Agreement, the other Company shall pay such amounts to the Responsible Company within fifteen (15) days of the receipt of such notice.

(c) *Payments for Tax Benefits*. Within fifteen (15) days following the use by the Responsible Company (or its Affiliates) of a Tax Benefit attributable to the other Company (or its Affiliates), if the SpinCo Group is treated as using a Tax Benefit attributable to the Parent Group under the provisions of this Agreement, SpinCo shall pay to Parent an amount equal to the amount such Tax Benefit, and if the Parent Group is treated as using a Tax Benefit attributable to the SpinCo Group under the provisions of this Agreement, Parent shall pay to SpinCo an amount equal to the amount of such Tax Benefit. For purposes of this Agreement, any such Tax Benefit shall be considered used as of the earlier of (i) the Due Date of the Tax Return that is filed with respect to such Tax Benefit or (ii) the date on which such Tax Return is filed. Within fifteen (15) days of the receipt of a notice from the Responsible Company that the other Company (or its Affiliates) has used a Tax Benefit attributable to the Responsible Company (or its Affiliates), if the SpinCo Group is treated as using a Tax Benefit attributable to the Parent Group under the provisions of this Agreement, SpinCo shall pay to Parent an amount equal to the amount such Tax Benefit, and if the Parent Group is treated as using a Tax Benefit attributable to the SpinCo Group under the provisions of this Agreement, Parent shall pay to SpinCo an amount equal to the amount of such Tax Benefit.

(d) *Interest on Late Payments*. Payments not made within the time periods specified set forth in Sections 4.01(b) and (c) shall bear interest computed at the rate per annum equal to the Wall Street Journal Prime Rate as published in The Wall Street Journal from time to time on the amount of the payment based on the number of days in the period beginning the date such payments were due to the other Company and ending on and including the date of payment.

(e) *Subsequent Adjustments*. In the case of any adjustment pursuant to a Final Determination with respect to any such Tax Return, the Responsible Company shall pay to the applicable Tax Authority when due any additional Tax due with respect to such Tax Return required to be paid as a result of such adjustment pursuant to such Final Determination. The Responsible Company shall redetermine the amounts payable by Parent to SpinCo or by SpinCo to Parent, as the case may be, under this Agreement. If the Responsible Company notifies the other Company at least fifteen (15) days prior to the date any additional Tax is due to such Tax Authority and allocable to it under the provisions of this Agreement, the other Company shall pay such amounts to the Responsible Company prior to the date such additional Tax is due (or at the direction of the Responsible Company, to the Tax Authority). If the Responsible Company notifies the other Company less than fifteen (15) days prior to the date any additional Tax is due to such Tax Authority and allocable to it under the provisions of this Agreement, the other Company shall pay such amounts to the Responsible Company within fifteen (15) days of the receipt of such notice. The Responsible Company shall pay to the other Company, or the other Company shall pay to the Responsible Company, any other amounts due under the provisions of this Agreement within fifteen (15) days from the later of (i) the date the additional Tax was due, (ii) the date of the Final Determination (if no cash payment was paid), or (iii) in the case of an amount payable by the other Company to the Responsible Company, the date of receipt of written notice and demand from the Responsible Company of the amount due. Any payments required under this Section 4.01(e) shall include interest computed at the rate per annum equal to the Wall Street Journal Prime Rate as published in The Wall Street Journal from time to time based on the number of days in the period beginning the date such payments were due to the other Company under this Section 4.01(e) and ending on and including the date of payment.

(f) *Disputes*. To the extent a Party does not agree with any amount calculated pursuant to this Section 4.01, the dispute shall be resolved in accordance with Section 10

Section 4.02 Indemnification Payments.

(a) If any Company (the "**Payor**") is required under applicable Tax law to pay to a Tax Authority a Tax that another Company (the "**Required Company**") is liable for under this Agreement, the Payor shall provide notice to the Required Company for the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. Such Required Company shall have a period of thirty (30) days after the receipt of notice to respond thereto. Unless the Required Company disputes the amount it is liable for under this Agreement, the Required Company shall reimburse the Payor within forty-five (45) Business Days of delivery by the Payor of the notice described above. To the extent the Required Company does not agree with the amount the Payor claims the Required Company is liable for under this Agreement, the dispute shall be resolved in accordance with Section 10. Any reimbursement shall include interest on the Tax payment computed at the rate per annum equal to the Wall Street Journal Prime Rate as published in The Wall Street Journal from time to time based on the number of days in the period beginning the date such payments were due to the other Company under this Section 4.02 and ending on and including the date of payment.

(b) All indemnification payments under this Agreement shall be made by Parent directly to SpinCo and by SpinCo directly to Parent; provided, however, that if the Companies mutually agree with respect to any such indemnification payment, any member of the Parent Group, on the one hand, may make such indemnification payment to any member of the SpinCo Group, on the other hand, and vice versa.

Section 5. Cooperation and Reliance.

Section 5.01 Assistance and Cooperation.

(a) The Companies shall cooperate (and cause their respective Affiliates to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, in connection with Tax matters relating to the Companies and their Affiliates including (i) preparation and filing of any Combined US State and Local Tax Returns and the determination of whether filing of such returns on a combined basis is required, (ii) determining the liability for and amount of any Taxes due (including estimated Taxes) or the right to and amount of any refund of Taxes, (iii) examinations of such Tax Returns, and (iv) any administrative or judicial proceeding in respect of Taxes assessed or proposed to be assessed with respect to such Tax Returns. Such cooperation shall include making all information and documents in their possession relating to the other Company and its Affiliates available to such other Company as provided in Section 6. Each of the Companies shall also make available to the other, as reasonably requested and available, personnel (including officers, directors, employees and agents of the Companies or their respective Affiliates) responsible for preparing, maintaining, and interpreting information and documents relevant to Taxes shown on such Tax Returns, and personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any administrative or judicial proceedings relating to such Taxes.

(b) Any information or documents provided under this Section 5 shall be kept confidential by the Company receiving the information or documents, except as may otherwise be necessary in connection with the filing of such Tax Returns or in connection with any administrative or judicial proceedings relating to such Taxes. Notwithstanding any other provision of this Agreement or any other agreement, (i) neither Company nor any Affiliate shall be required to provide the other Company or any Affiliate or any other Person access to or copies of any information or procedures (including the proceedings of any Tax Contest) other than information or procedures that relate solely to the first Company, the business or assets of the first Company or any of its Affiliates and (ii) in no event shall any Company or its Affiliates be required to provide the other Company, any of the other Company's Affiliates or any other Person access to or copies of any information if such action could reasonably be expected to result in the waiver of any privilege. In addition, in the event that a Company determines that the provision of any information to the other Company or an Affiliate of the other Company could be commercially detrimental, violate any law or agreement or waive any privilege, the Company shall use reasonable best efforts to permit compliance with its obligations under this Section 5 in a manner that avoids any such harm or consequence.

Section 5.02 Combined US State and Local Tax Return Information. Parent and SpinCo acknowledge that time is of the essence in relation to any request for information, assistance or cooperation made by Parent or SpinCo pursuant to Section 5.01 or this Section 5.02. Each Company shall provide to the other Company information and documents relating to its Group required by the other Company to prepare any Combined US State and Local Tax Returns. Any information or documents the Responsible Company requires to prepare such Tax Returns shall be provided in such form as the Responsible Company reasonably requests and in sufficient time for the Responsible Company to file such Tax Returns on a timely basis.

Section 5.03 Non-Performance. If a Company (or any of its Affiliates) fails to comply with any of its obligations set forth in this Section 5 upon reasonable request and notice by the other Company (or any of its Affiliates) and such failure results in the imposition of additional Taxes, the non-performing Company shall be liable in full for such additional Taxes.

Section 5.04 Costs. Each Company shall devote the personnel and resources necessary in order to carry out this Section 5 and shall make its employees available on a mutually convenient basis to provide explanations of any documents or information provided hereunder. Each Company shall carry out its responsibilities under this Section 5 at its own cost and expense.

Section 6. Tax Records.

The Companies and their respective Affiliates shall make available to each other for inspection and copying during normal business hours upon reasonable notice all Tax Records (and, for the avoidance of doubt, any pertinent underlying data accessed or stored on any computer program or information technology system) in their possession and shall permit the other Company and its Affiliates, authorized agents and representatives and any representative of a Tax Authority or other Tax auditor direct access during normal business hours upon reasonable notice to any computer program or information technology system used to access or store any Tax Records, in each case to the extent reasonably required by the other Company in connection with the preparation of any Combined US State and Local Tax Return or financial accounting statements, audits, litigation, or the resolution of items under this Agreement. To the extent any Tax Records are required to be or are otherwise transferred by the Companies or their respective Affiliates to any person other than an Affiliate, the Company or its respective Affiliate shall transfer such records to the other Company at such time.

Section 7. Tax Contests.

Section 7.01 Notice. Each of the Companies shall provide prompt notice to the other Company of any written communication from a Tax Authority regarding any pending or threatened Tax audit, assessment or proceeding or other Tax Contest of which it becomes aware related to Taxes for which it is indemnified by the other Company hereunder. Such notice shall attach copies of the pertinent portion of any written communication from a Tax Authority and contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters. If an indemnified Company has knowledge of an asserted Tax liability with respect to a matter for which it is entitled to indemnification hereunder and such Company fails to give the indemnifying Company prompt notice of such asserted Tax liability and the indemnifying Company is entitled under this Agreement to contest the asserted Tax liability, then (i) if the indemnifying Company is precluded from contesting the asserted Tax liability in any forum as a result of the failure to give prompt notice, the indemnifying Company shall have no obligation to indemnify the indemnified Company for such Tax liability or any other Taxes arising from such failure, and (ii) if the indemnifying Company is not precluded from contesting the asserted Tax liability in any forum, but such failure to give prompt notice results in a material monetary detriment to the indemnifying Company, then any amount which the indemnifying Company is otherwise required to pay the indemnified Company pursuant to this Agreement shall be reduced by the amount of such detriment.

Section 7.02 Control of Tax Contests.

(a) *Controlling Company*. In the case of any Tax Contest with respect to any Combined US State and Local Tax Return, the Company that would be primarily liable under this Agreement to pay the applicable Tax Authority the Taxes resulting from such Tax Contest shall administer and control such Tax Contest (the "**Controlling Company**").

(b) *Settlement Rights*. The Controlling Company must obtain the prior consent (not to be unreasonably withheld, conditioned or delayed) of the other non-controlling Company (the "**Non-Controlling Company**") prior to contesting, litigating, compromising or settling any Tax Contest related to an adjustment which the Non-Controlling Company may reasonably be expected to become liable to make any indemnification payment under this Agreement. Unless waived by the Companies in writing, in connection with any potential adjustment in a Tax Contest as a result of which adjustment the Non-Controlling Company may reasonably be expected to become liable to make any indemnification payment under this Agreement to the Controlling Company under this Agreement: (i) the Controlling Company shall keep the Non-Controlling Company informed in a timely manner of all actions taken or proposed to be taken by the Controlling Company with respect to such potential adjustment in such Tax Contest; (ii) the Controlling Company shall provide the Non-Controlling Company copies of any written materials relating to such potential adjustment in such Tax Contest received from any Tax Authority; (iii) the Controlling Company shall timely provide the Non-Controlling Company with copies of any correspondence or filings submitted to any Tax Authority or judicial authority in connection with such potential adjustment in such Tax Contest; (iv) the Controlling Company shall consult with the Non-Controlling Company (including, without limitation, regarding the use of outside advisors to assist with the Tax Contest) and offer the Non-Controlling Company a reasonable opportunity to comment and the Controlling Company shall consider such comments in good faith before submitting any written materials prepared or furnished in connection with such potential adjustment in such Tax Contest; and (v) the Controlling Company shall defend such Tax Contest diligently and in good faith. The failure of the Controlling Company to take any action specified in the preceding sentence with respect to the Non-Controlling Company shall not relieve the Non-Controlling Company of any liability and/or obligation which it may have to the Controlling Company under this Agreement except to the extent that the Non-Controlling Company was actually harmed by such failure, and in no event shall such failure relieve the Non-Controlling Company from any other liability or obligation which it may have to the Controlling Company.

(c) *Tax Contest Participation*. Unless waived by the Companies in writing, the Controlling Company shall provide the Non-Controlling Company with written notice reasonably in advance of, and the Non-Controlling Company shall have the right to attend, any formally scheduled meetings with Tax Authorities or hearings or proceedings before any judicial authorities in connection with any potential adjustment in a Tax Contest pursuant to which the Non-Controlling Company may reasonably be expected to become liable to make any indemnification payment to the Controlling Company under this Agreement. The failure of the Controlling Company to provide any notice specified in this Section 7.02(c) to the Non- Controlling Company shall not relieve the Non-Controlling Company of any liability and/or obligation which it may have to the Controlling Company under this Agreement except to the extent that the Non-Controlling Company was actually harmed by such failure, and in no event shall such failure relieve the Non-Controlling Company from any other liability or obligation which it may have to the Controlling Company.

(d) *Power of Attorney*. Each member of the SpinCo Group shall execute and deliver to Parent (or such member of the Parent Group as Parent shall designate) any power of attorney or other similar document reasonably requested by Parent (or such designee) in connection with any Tax Contest (as to which Parent is the Controlling Company) described in this Section 7. Each member of the Parent Group shall execute and deliver to SpinCo (or such member of the SpinCo Group as SpinCo shall designate) any power of attorney or other similar document requested by SpinCo (or such designee) in connection with any Tax Contest (as to which SpinCo is the Controlling Company) described in this Section 7.

(e) *Costs*. All external out-of-pocket costs and expenses that are incurred by the Controlling Company with respect to a Tax Contest related to an adjustment which the Non-Controlling Company may reasonably be expected to become liable to make any indemnification payment under this Agreement shall be shared by the Companies according to each Company's relative share of the potential Tax liability with respect to the Tax Contest as determined under this Agreement; provided, however, that a Non-Controlling Company shall not be liable for fees payable to outside advisors to the extent that the Controlling Company failed to consult with the Non-Controlling Company pursuant to Section 7.02(b). If the Controlling Company incurs out-of-pocket costs and expenses to be shared under this Section 7.02(e) during a fiscal quarter, such Controlling Company shall provide notice to the Non-Controlling Company within thirty (30) days after the end of such fiscal quarter for the amount due from such Non-Controlling Company pursuant to this Section 7.02(e), describing in reasonable detail the particulars relating thereto. Such Non-Controlling Company shall have a period of thirty (30) days after the receipt of notice to respond thereto. Unless the Non- Controlling Company disputes the amount it is liable for under this Section 7.02(e), the Non- Controlling Company shall reimburse the Controlling Company within forty-five (45) Business Days of delivery by the Controlling Company of the notice described above. To the extent the Non-Controlling Company does not agree with the amount the Controlling Company claims the Non-Controlling Company is liable for under this Section 7.02(e), the dispute shall be resolved in accordance with Section 10. Any reimbursement shall include interest computed at the rate per annum equal to the Wall Street Journal Prime Rate as published in The Wall Street Journal from time to time based on the number of days in the period beginning the date such payments were due to the other Company under this Section 7.02(e) and ending on and including the date of payment. During the first month of each fiscal quarter in which it expects to incur costs for which reimbursement may be sought under this Section 7.02(e), the Controlling Company will provide the Non-Controlling Company with a good faith estimate of such costs.

Section 8. Survival of Obligations.

The representations, warranties, covenants and agreements set forth in this Agreement shall be unconditional and absolute and shall remain in effect without limitation as to time.

Section 9. Treatment of Payments of Interest.

Anything herein to the contrary notwithstanding, to the extent one Company ("**Indemnitor**") makes a payment of interest to another Company ("**Indemnitee**") under this Agreement with respect to the period from the date that the Indemnitee made a payment of Tax to a Tax Authority to the date that the Indemnitor reimbursed the Indemnitee for such Tax payment, the interest payment shall be treated as interest expense to the Indemnitor (deductible to the extent provided by law) and as interest income by the Indemnitee (includible in income to the extent provided by law). The amount of the payment shall not be adjusted to take into account any associated Tax benefit to the Indemnitor or increase in Tax to the Indemnitee.

Section 10. Disagreements.

Section 10.01 Discussion. The Companies mutually desire that friendly collaboration will continue between them. Accordingly, they will try, and they will cause their respective Group members to try, to resolve in an amicable manner all disagreements and misunderstandings connected with their respective rights and obligations under this Agreement, including any amendments hereto. In furtherance thereof, in the event of any dispute or disagreement (a "**Dispute**") between any member of the Parent Group and any member of the SpinCo Group as to the interpretation of any provision of this Agreement or the performance of obligations hereunder, the Tax departments of the Companies shall negotiate in good faith to resolve the Dispute.

Section 10.02 Referral to Tax Advisor for Computational Disputes. Notwithstanding anything to the contrary in Section 10, with respect to any Dispute under this Agreement involving computational matters, if the Companies are not able to resolve the Dispute through the discussion process set forth in Section 10.01, the Dispute will be referred to a Tax Advisor acceptable to each of the Companies to act as an arbitrator in order to resolve the Dispute. In the event that the Companies are unable to agree upon a Tax Advisor within fifteen (15) Business Days following the completion of the discussion process, the Companies shall each separately retain an independent, nationally recognized law or accounting firm (each, a "**Preliminary Tax Advisor**"), which Preliminary Tax Advisors shall jointly select a Tax Advisor on behalf of the Companies to act as an arbitrator in order to resolve the Dispute. The Tax Advisor may, in its discretion, obtain the services of any third-party appraiser, accounting firm or consultant that the Tax Advisor deems necessary to assist it in resolving such disagreement. The Tax Advisor shall furnish written notice to the Companies of its resolution of any such Dispute as soon as practical, but in any event no later than thirty (30) Business Days after its acceptance of the matter for resolution. Any such resolution by the Tax Advisor will be conclusive and binding on the Companies. Following receipt of the Tax Advisor's written notice to the Companies of its resolution of the Dispute, the Companies shall each take or cause to be taken any action necessary to implement such resolution of the Tax Advisor. Each Company shall pay its own fees and expenses (including the fees and expenses of its representatives) incurred in connection with the referral of the matter to the Tax Advisor (and the Preliminary Tax Advisors, if any). All fees and expenses of the Tax Advisor (and the Preliminary Tax Advisors, if any) in connection with such referral shall be shared equally by the Companies.

Section 10.03 Injunctive Relief. Nothing in this Section 10 will prevent either Company from seeking injunctive relief if any delay resulting from the efforts to resolve the Dispute through the process set

forth above could result in serious and irreparable injury to either Company. Notwithstanding anything to the contrary in this Agreement, Parent and SpinCo are the only members of their respective Group entitled to commence a dispute resolution procedure under this Agreement, and each of Parent and SpinCo will cause its respective Group members not to commence any dispute resolution procedure other than as provided in this Section 10.

Section 11. Expenses.

Except as otherwise provided in this Agreement, each Company and its Affiliates shall bear their own expenses incurred in connection with preparation of any Combined US State and Local Tax Returns, Tax Contests, and other matters related to Taxes under the provisions of this Agreement.

Section 12. General Provisions.

Section 12.01 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 12.01):

if to Parent, to:

CompoSecure, Inc.
309 Pierce Street
Somerset, NJ
Attention: Corporate Secretary
Email: legal@composecure.com

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

Paul, Weiss, Rifkind, Wharton & Garrison, LLP
1285 Avenue of the Americas

Attention: Scott A. Barshay
Laura Turano
E-mail: sbarshay@paulweiss.com
lturano@paulweiss.com

if to SpinCo, to:

Resolute Holdings Management, Inc.
445 Park Avenue, Suite 15F
Attention: Thomas R. Knott
Email:

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

Paul, Weiss, Rifkind, Wharton & Garrison, LLP
1285 Avenue of the Americas
Attention: Scott A. Barshay
Laura Turano
E-mail: sbarshay@paulweiss.com
lturano@paulweiss.com

A Party may change the address for receiving notices under this Agreement by providing written notice of the change of address to the other Parties.

Section 12.02 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their successors and assigns.

Section 12.03 Waiver. The Parties may waive a provision of this Agreement only by a writing signed by the Party intended to be bound by the waiver. A Party is not prevented from enforcing any right, remedy or condition in the Party's favor because of any failure or delay in exercising any right or remedy or in requiring satisfaction of any condition, except to the extent that the Party specifically waives the same in writing. A written waiver given for one matter or occasion is effective only in that instance and only for the purpose stated. A waiver once given is not to be construed as a waiver for any other matter or occasion. Any enumeration of a Party's rights and remedies in this Agreement is not intended to be exclusive, and a Party's rights and remedies are intended to be cumulative to the extent permitted by law and include any rights and remedies authorized in law or in equity.

Section 12.04 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the parties.

Section 12.05 Change in Law. If, due to any change in applicable law or regulations or their interpretation by any court of law or other governing body having jurisdiction subsequent to the date of the Agreement, performance of any provision of this Agreement becomes impracticable or impossible, the parties hereto will use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such provision.

Section 12.06 Authority. Each of the Parties represents to the other that (a) it has the corporate or other requisite power and authority to execute, deliver and perform this Agreement, (b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate or other action, (c) it has duly and validly executed and delivered this Agreement, and (d) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

Section 12.07 Further Action. The Parties shall execute and deliver all documents, provide all information, and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement, including the execution and delivery to the other Parties and their Affiliates and representatives of such powers of attorney or other authorizing documentation as is reasonably necessary or appropriate in connection with Tax Contests (or portions thereof) under the control of such other Parties in accordance with Section 7.

Section 12.08 Integration. This Agreement, together with each of the exhibits and schedules appended hereto constitutes the final agreement among the Parties, and is the complete and exclusive statement of the Parties' agreement on the matters contained herein. All prior and contemporaneous negotiations and agreements among the Parties with respect to the matters contained herein are superseded by this Agreement, as applicable. In the event of any inconsistency between this Agreement and any other agreements relating to the Spin-Off, with respect to matters addressed herein, the provisions of this Agreement shall control.

Section 12.09 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires; (b) references to the terms "Section," "paragraph," and "clause" are references to the Sections, paragraphs, and clauses of this Agreement unless otherwise specified; (c) the terms "hereof," "herein," "hereby," "hereto," and derivative or similar words refer to this entire Agreement; (d) references to "$" shall mean US dollars; (e) the word "including" and words of similar import when used in this Agreement shall mean "including without limitation," unless otherwise specified; (f) the word "or" shall not be exclusive; (g) references to "written" or "in writing" include in electronic form; (h) provisions shall apply, when appropriate, to successive events and transactions; (i) the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (j) Parent and SpinCo have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or burdening a Party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement; and (k) a reference to any Person includes such Person's successors and permitted assigns.

Section 12.10 No Double Recovery. No provision of this Agreement shall be construed to provide an indemnity or other recovery for any costs, damages, or other amounts for which the damaged Party has been fully compensated under any other provision of this Agreement or under any other agreement or action at law or equity. Unless expressly required in this Agreement, a Party shall not be required to exhaust all remedies available under other agreements or at law or equity before recovering under the remedies provided in this Agreement.

Section 12.11 Counterparts. This Agreement may be executed in one (1) or more counterparts (including by electronic or .pdf transmission), and by each Party in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of any signature page by facsimile, electronic or .pdf transmission shall be binding to the same extent as an original signature page.

Section 12.12 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Delaware without giving effect to the principles of conflicts of law thereof.

Section 12.13 Jurisdiction. If any dispute arises out of or in connection with this Agreement, except as expressly contemplated by another provision of this Agreement, the Parties irrevocably (and the Parties will cause each other member of their respective Group to irrevocably) (i) agrees that any dispute shall be subject to the exclusive jurisdiction of the state and federal courts located in the State of Delaware, (ii) waives any claims of forum non conveniens and agrees to submit to the jurisdiction of such courts and (iii) agrees that service of any process, summons, notice or document by US registered mail to its respective address set forth in Section 12.01 shall be effective service of process for any litigation brought against it in any such court or for the taking of any other acts as may be necessary or appropriate in order to effectuate any judgment of said courts.

Section 12.14 Amendment. No provision of this Agreement (except as otherwise provided therein) may be amended or modified except by a written instrument signed by each of the parties hereto or thereto, as applicable.

Section 12.15 Parent or SpinCo Affiliates. If, at any time, Parent or SpinCo acquires or creates one or more Affiliates that are includable in the Parent Group or SpinCo Group, as the case may be, they shall be subject to this Agreement and all references to the Parent Group or SpinCo Group, as the case may be, herein shall thereafter include a reference to such Affiliates.

Section 12.16 Successors. This Agreement shall be binding on and inure to the benefit of any successor by merger, acquisition of assets, or otherwise, to any of the Parties hereto (including but not limited to any successor of Parent or SpinCo succeeding to the Tax attributes of either under Section 381 of the Code), to the same extent as if such successor had been an original Party to this Agreement.

Section 12.17 Injunctions. The Parties acknowledge that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with its specific terms or were otherwise breached. The Parties hereto shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court having jurisdiction, such remedy being in addition to any other remedy to which they may be entitled at law or in equity.

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed on its behalf by a duly authorized officer on the date first set forth above.

COMPOSECURE, INC.

By: _____
Name:
Title:

RESOLUTE HOLDINGS MANAGEMENT, INC.

By: _____
Name:
Title:

Exhibit 10.9

Resolute Holdings Management, Inc.
445 Park Avenue, Suite 15F
New York, NY 10022

_____, 2025

CompoSecure, Inc.
309 Pierce Street
Somerset, NJ 08873
Attention: Chief Executive Officer

Re: Management Agreement with CompoSecure Holdings, L.L.C.

Ladies and Gentlemen:

Reference is hereby made to the Management Agreement, dated as of _____, 2025 (the "Management Agreement"), by and between CompoSecure Holdings, L.L.C. (the "Company"), a Delaware limited liability company, and Resolute Holdings Management, Inc. (the "Manager"), a Delaware corporation. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Management Agreement.

WHEREAS, upon and subject to the terms of the Management Agreement, the Company has appointed the Manager (and granted to it all powers necessary, convenient or appropriate) to, and the Manager has agreed and covenanted that it shall manage the Company's day-to-day business and operations, and oversee the Company's strategy; and

WHEREAS, in furtherance of the performance by the Company and the Manager of their respective duties and obligations under the Management Agreement, CompoSecure, Inc., a Delaware corporation and parent of the Company ("Parent"), and the Manager desire to enter into this letter agreement (this "Letter Agreement").

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and upon the terms and subject to the conditions hereof, Parent and the Manager agree as follows:

1. Term. This Letter Agreement shall be coterminous with the Management Agreement, unless this Letter Agreement is terminated by the mutual written consent of Parent and the Manager.

2. Covenants of Parent.

(a) During the term of this Letter Agreement, to the fullest extent permitted by Delaware law, the Exchange Act, the Securities Act, the NASDAQ Rules and any other applicable rule or regulation (including the rules and regulations promulgated under the Exchange Act and the Securities Act):

(i) Parent, the Parent Board or any committee thereof shall not take any action to modify, amend, qualify, interfere with or terminate the delegations set forth on Schedule I attached hereto (collectively, the "Delegations"); and

(ii) Parent shall, and shall cause its Subsidiaries, as applicable, to: (A) take all steps reasonably necessary to allow the Manager to make any registrations, filings, declarations and notices on behalf of itself or the Company in connection with the Manager's performance of its duties and obligations under the Management Agreement; (B) make customary representations, warranties and covenants in connection with any acquisition, business combination transaction or other transaction that is intended qualify in whole or in part as tax-free for U.S. federal income tax purposes, and is entered into, in each case, in accordance with the Management Agreement; and (C) use commercially reasonable efforts to make available to the Manager and its representatives all properties, personnel, representatives, resources, information and materials requested by the Manager in connection with the Manager's performance of its duties and obligations under the Management Agreement, including its obligations to deliver financial statements and any other information or reports with respect to the Company.

(b) Parent hereby acknowledges and agrees that the Manager may use the name "CompoSecure" and other trademarks of Parent and its Subsidiaries in connection with the Manager's activities under the Management Agreement (including, in connection with the preparation of any filing with or notification to any Governmental Authority made on behalf of the Company or any of its Subsidiaries). The parties hereto will reasonably cooperate to maintain reasonable quality control with respect to the Manager's use of such trademarks.

3. Covenants of the Manager. During the term of this Letter Agreement, any action of the Manager pursuant to the Grant Delegation (as defined in the Delegations) shall be in writing and the Manager shall, promptly following each Grant (as defined in the Plan) under the CompoSecure, Inc. 2021 Incentive Equity Plan (as in effect from time to time, the "Plan") granted or acted upon by the Manager pursuant to the Grant Delegation (the "Delegated Grants") (but not less frequently than every six months) keep the Compensation Committee of the Parent Board apprised as to the Delegated Grants.

4. Representations and Warranties.

(a) Parent hereby represents and warrants to the Manager as follows:

(i) Parent is duly organized, validly existing and in good standing under the laws of the State of Delaware, has the corporate power and authority and the legal right to own and operate its assets, to lease any property it may operate as lessee and to conduct the business in which it is now engaged and is duly qualified as a foreign corporation and is in good standing under the laws of each jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, except for failures to be so qualified, authorized or licensed that could not in the aggregate have a material adverse effect on the business operations, assets or financial condition of Parent and its Subsidiaries, if any, taken as a whole.

(ii) Parent has the corporate power and authority and the legal right to make, deliver and perform this Letter Agreement and all obligations required hereunder and has taken all necessary corporate action to authorize this Letter Agreement on the terms and conditions hereof and the execution, delivery and performance of this Letter Agreement and all obligations required hereunder. No consent of any other Person that has not already been obtained, including stockholders and creditors of Parent, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any Governmental Authority is required by Parent in connection with this Letter Agreement or the execution, delivery, performance, validity or enforceability of this Letter Agreement and all obligations required hereunder. This Letter Agreement has been, and each instrument or document required hereunder will be, executed and delivered by a duly authorized officer of Parent, and this Letter Agreement constitutes, and each instrument or document required hereunder when and executed and delivered hereunder will constitute, the legally valid and binding obligation of Parent enforceable against Parent in accordance with its terms.

(iii) The execution, delivery and performance of this Letter Agreement and the documents or instruments required hereunder will not violate any provision of any existing law or regulation binding on Parent, or any order, judgment, award or decree of any Governmental Authority binding on Parent, or the Governing Agreements of, or any securities issued by Parent or of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which Parent is a party or by which Parent or any of its assets may be bound, the violation of which would have a material adverse effect on the business operations, assets or financial condition of Parent and its Subsidiaries, if any, taken as a whole, and will not result in, or require, the creation or imposition of any lien or any of its property, assets or revenues pursuant to the provisions of any such mortgage, indenture, lease, contract or other agreement, instrument or undertaking.

(b) The Manager hereby represents and warrants to Parent as follows:

(i) The Manager is duly organized, validly existing and in good standing under the laws of the State of Delaware, has the corporate power and authority and the legal right to conduct the business in which it is now engaged and is duly qualified as a foreign corporation and is in good standing under the laws of each jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, except for failures to be so qualified, authorized or licensed that could not in the aggregate have a material adverse effect on the business operations, assets or financial condition of the Manager.

(ii) The Manager has the corporate power and authority and the legal right to make, deliver and perform this Letter Agreement and all obligations required hereunder and has taken all necessary corporate action to authorize this Letter Agreement on the terms and conditions hereof and the execution, delivery and performance of this Letter Agreement and all obligations required hereunder. No consent of any other Person, including stockholders of the Manager, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any Governmental Authority is required by the Manager in connection with this Letter Agreement or the execution, delivery, performance, validity or enforceability of this Letter Agreement and all obligations required hereunder. This Letter Agreement has been, and each instrument or document required hereunder will be, executed and delivered by a duly authorized officer of the Manager, and this Letter Agreement constitutes, and each instrument or document required hereunder when executed and delivered hereunder will constitute, the legally valid and binding obligation of the Manager enforceable against the Manager in accordance with its terms.

(iii) The execution, delivery and performance of this Letter Agreement and the documents or instruments required hereunder will not violate any provision of any existing law or regulation binding on the Manager, or any order, judgment, award or decree of any Governmental Authority binding on the Manager, or the Governing Agreements of, or any securities issued by the Manager or of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which the Manager is a party or by which the Manager or any of its assets may be bound, the violation of which would have a material adverse effect on the business operations, assets or financial condition of the Manager, and will not result in, or require, the creation or imposition of any lien or any of its property, assets or revenues pursuant to the provisions of any such mortgage, indenture, lease, contract or other agreement, instrument or undertaking.

5. Miscellaneous.

(a) *Notices*. Any notices that may or are required to be given hereunder by any party to another shall be deemed to have been duly given if (i) personally delivered or delivered by facsimile, when received, (ii) sent by U.S. Express Mail or recognized overnight courier, on the second (2^{nd}) following Business Day (or third (3^{rd}) following Business Day if mailed outside the United States), (iii) delivered by electronic mail, when received or (iv) posted on a password protected website maintained by the Manager and for which the Company has received access instructions by electronic mail, when posted:

Parent
CompoSecure, Inc.
309 Pierce Street
Somerset, NJ 08873
Attention: General Counsel

The Manager:
Resolute Holdings Management, Inc.
445 Park Avenue, Suite 15F
New York, NY 10022
Attention: Chief Executive Officer

(b) *Binding Nature of Agreement; Successors and Assigns; No Third-Party Beneficiaries*. This Letter Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns as provided herein. None of the provisions of this Letter Agreement are intended to be, nor shall they be construed to be, for the benefit of any third party.

(c) *Integration*. This Letter Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof.

(d) *Additional Agreements*. In the event the Company forms any Subsidiary, or acquires any business, following the date hereof and, at the Manager's election, causes any such Subsidiary, or business, to enter into a management agreement with the Manager in a form substantially similar to the Management Agreement, Parent shall, at the Manager's election, enter into a letter agreement with the Manager in a form substantially similar to this Letter Agreement.

(e) *Amendments*. Neither this Letter Agreement, nor any terms hereof, may be amended, supplemented or modified except in an instrument in writing executed by the parties hereto.

(f) *Governing Law*. Notwithstanding the place where this Letter Agreement may be executed by any of the parties hereto, the parties hereto expressly agree that all of the terms and provisions hereof shall be governed by and construed under the laws of the State of Delaware.

(g) *Forum; Consent to Service*. To the fullest extent permitted by law, in the event of any proceeding arising out of the terms and conditions of this Letter Agreement, the parties hereto irrevocably (i) consent and submit to the exclusive jurisdiction of the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (unless the Delaware Court of Chancery shall decline jurisdiction over a particular matter, in which case, any state or federal court within the State of Delaware), (ii) waive any defense based on doctrines of venue or *forum non conveniens*, or similar rules or doctrines and, (iii) agree that all claims in respect of such a proceeding must be heard and determined exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (unless the Delaware Court of Chancery shall decline jurisdiction over a particular matter, in which case, any state or federal court within the State of Delaware). Process in any such proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Each of the parties hereto hereby agrees and consents that service of any process, summons, notice, or document pursuant to Section 5(a) shall be effective service of process for any suit or proceeding arising out of the terms and conditions of this Letter Agreement. Any proceeding arising out of the terms and conditions of this Letter Agreement shall be governed by the provisions hereof and not by the provisions of Article XI of the Separation and Distribution Agreement, dated as of _____, 2025, by and between Parent and the Manager.

(h) *Waiver of Jury Trial*. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH OR RELATING TO THIS LETTER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS LETTER AGREEMENT.

(i) *Survival of Representations and Warranties*. All representations and warranties made hereunder, and in any document, certificate or statement delivered pursuant hereto or in connection herewith, shall survive the execution and delivery of this Letter Agreement.

(j) *No Waiver; Cumulative Remedies*. No failure to exercise and no delay in exercising, on the part of a party hereto, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

(k) *Costs and Expenses*. Each party hereto shall bear its own costs and expenses (including the fees and disbursements of counsel and accountants) incurred in connection with the negotiations, preparation of and entry into this Letter Agreement, and all matters incident thereto.

(l) *Headings; Interpretation*. The section and subsection headings in this Letter Agreement are for convenience in reference only and shall not be deemed to alter or affect the interpretation of any provisions hereof. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Letter Agreement shall refer to this Letter Agreement as a whole and not to any particular provision of this Letter Agreement, and Section references are to this Letter Agreement unless otherwise specified. References herein to “Sections,” “clauses” and other subdivisions, and to Schedules, without reference to a document are to the specified Sections, clauses and other subdivisions of and Schedules to, this Letter Agreement. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(m) *Counterparts*. This Letter Agreement may be executed by the parties to this Letter Agreement on any number of separate counterparts (including by facsimile), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

(n) *Severability*. Any provision of this Letter Agreement which is 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.

Very truly yours,

RESOLUTE HOLDINGS MANAGEMENT, INC.

By: _____
Name:
Title:

Agreed and accepted,

COMPOSECURE, INC.

By: _____
Name:
Title:

[*Signature Page to Letter Agreement*]

Schedule I

Delegations

Exhibit 21.1

List of Subsidiaries
of
Resolute Holdings Management, Inc.

None.

Exhibit 99.1

Subject to Completion — Dated December 30, 2024

INFORMATION STATEMENT

Resolute Holdings Management, Inc.

Common Stock

(par value $0.0001 per share)

We are sending you this Information Statement in connection with the spin-off ("Spin-Off") by CompoSecure, Inc. ("CompoSecure") of its wholly owned subsidiary, Resolute Holdings Management, Inc. ("Resolute Holdings," the "Company," "we," "us" or "our"), which will provide operating management services to CompoSecure Holdings, L.L.C., a direct, wholly owned subsidiary of CompoSecure, and any other companies we may manage in the future.

To effect the Spin-Off, CompoSecure will distribute all of our common stock on a pro rata basis to the holders of shares of CompoSecure's Class A common stock (the "CompoSecure stockholders"). The Spin-Off will be taxable. See "Material U.S. Federal Income Tax Consequences of the Spin-Off."

If you are a record holder of CompoSecure common stock as of the close of business on , 2025, which is the record date for the Spin-Off, you will be entitled to receive shares of our common stock for every shares of CompoSecure common stock that you hold on that date. CompoSecure will distribute its shares of our common stock in book-entry form, which means that we will not issue physical stock certificates. Continental Stock Transfer & Trust Company (the "distribution agent") will not distribute any fractional shares of our common stock.

The Spin-Off will be effective as of , New York City time, on , 2025 (the "Distribution Date"). Immediately after the Spin-Off becomes effective, we will be an independent, publicly traded company. As of the Distribution Date, Resolute Compo Holdings LLC ("Resolute Compo Holdings") will own approximately % of our common stock. As a result, we will be a "controlled company" within the meaning of the corporate governance standards of The Nasdaq Stock Market LLC, and Resolute Compo Holdings will have the ability to determine all matters requiring approval by our stockholders.

CompoSecure's stockholders are not required to vote on or take any other action to approve the Spin-Off. We are not asking you for a proxy and request that you do not send us a proxy. CompoSecure stockholders will not be required to pay any consideration for the shares of our common stock they receive in the Spin-Off, and they will not be required to surrender or exchange their shares of CompoSecure common stock or take any other action in connection with the Spin-Off.

No trading market for our common stock currently exists. We expect, however, that a limited trading market for our common stock, commonly known as a "when-issued" trading market, will develop as early as the record date for the Spin-Off, and we expect "regular-way" trading of our common stock will begin on the first trading day after the distribution date. We have applied to list our common stock on The Nasdaq Stock Market LLC under the ticker symbol "RHLD."

In reviewing this Information Statement, you should carefully consider the matters described in the section entitled "Risk Factors" beginning on page 11 of this Information Statement.

We are an "emerging growth company" as well as a "smaller reporting company," each as defined under the federal securities laws. See "Risk Factors — Risks Related to Ownership of Our Common Stock."

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

This Information Statement is not an offer to sell, or a solicitation of an offer to buy, any securities.

The date of this Information Statement is , 2025.

TABLE OF CONTENTS

BASIS OF PRESENTATION

Unless otherwise indicated or the context otherwise requires, references in this Information Statement to:

(i) the "Company," "Resolute Holdings," "we," "us" and "our" refer to Resolute Holdings Management, Inc. (a newly formed holding company) and its direct and indirect subsidiaries after giving effect to the Spin-Off;

(ii) the "Board" or "our Board" refers to the board of directors of the Company;

(iii) the "bylaws" refers to our amended and restated bylaws that will become effective as part of the Spin-Off, the form of which has been filed as an exhibit to our Registration Statement on Form 10 of which this Information Statement is a part;

(iv) the "certificate of incorporation" refers to our amended and restated certificate of incorporation that will become effective as part of the Spin-Off, the form of which has been filed as an exhibit to our Registration Statement on Form 10 of which this Information Statement is a part;

(v) "CompoSecure" refers to CompoSecure, Inc. and its direct and indirect subsidiaries, as the context requires;

(vi) "CompoSecure Holdings" refers to CompoSecure Holdings L.L.C., a direct subsidiary of CompoSecure Inc., together with its direct subsidiary CompoSecure LLC, as the context requires;

(vii) "CompoSecure LLC" refers to CompoSecure L.L.C., a direct subsidiary of CompoSecure Holdings, and the entity through which CompoSecure operates its business;

(viii) "CompoSecure common stock" refers to shares of Class A common stock, par value $0.0001 per share, of CompoSecure;

(ix) the "CompoSecure Board" refers to the board of directors of CompoSecure;

(x) the "CompoSecure Management Agreement" refers to that certain management agreement entered into between us and CompoSecure Holdings, dated as of , 2025;

(xi) the "Exchange" refers to The Nasdaq Stock Market LLC;

(xii) "managed companies" refer to companies, including CompoSecure Holdings, that we manage from time to time pursuant to one or more management agreements, including the CompoSecure Management Agreement;

(xiii) "Resolute Compo Holdings" refers to Resolute Compo Holdings LLC, a Delaware limited liability company;

(xiv) the "Spin-Off" refers to the transaction in which CompoSecure will distribute to its stockholders all of the shares of our common stock; and

(xv) "stockholders" refers to stockholders of CompoSecure or stockholders of Resolute Holdings, depending on the context.

Certain percentages and other figures provided and used in this Information Statement may not add up to 100.0% due to the rounding of individual components.

We are a newly formed entity without any historical financial statements. For financial reporting purposes, we are required under U.S. generally accepted accounting principles to consolidate the financial statements of CompoSecure Holdings. The financial statements of Resolute Holdings will be prepared on a different basis from those of CompoSecure and CompoSecure Holdings, and accordingly, our financial statements, results of operations and financial condition are expected to differ materially from those of CompoSecure and CompoSecure Holdings. You should read all financial information regarding Resolute Holdings in this Information Statement in conjunction with the unaudited pro forma condensed consolidated financial statements of Resolute Holdings and the audited and unaudited financial statements of CompoSecure Holdings, each of which are included elsewhere in this Information Statement.

TRADEMARKS AND COPYRIGHTS

"CompoSecure," "Arculus" and the CompoSecure logo are trademarks of CompoSecure, Inc., and "Resolute Holdings" and the Resolute Holdings logo are trademarks of Resolute Holdings Management, Inc. Logos, trademarks, service marks, trade names and copyrights referred to in this Information Statement belong to us or are licensed for our use. Solely for convenience, we refer to our intellectual property assets in this Information Statement without the ™, ® and © symbols, but such references are not intended to indicate that we will not assert, to the fullest extent under applicable law, our rights to our intellectual property assets. Other logos, trademarks, service marks, trade names and copyrights referred to in this Information Statement are the property of their respective owners.

INDUSTRY, RANKING AND MARKET DATA

This Information Statement contains various historical and projected information concerning our and CompoSecure's industry, the markets in which we and CompoSecure participate and our and CompoSecure's positions in these markets. Some of this information is from industry publications and other third-party sources, and other information is from our own or CompoSecure's analyses of data received from these third-party sources, our own internal data or internal data of CompoSecure and market research that our management team and CompoSecure have commissioned for our or their own evaluations and planning. All of this information involves a variety of assumptions, limitations and methodologies and is inherently subject to uncertainties, and therefore you are cautioned not to give undue weight to these estimates. Although we believe that those industry publications and other third-party sources are reliable, we have not independently verified the accuracy or completeness of any of the data from those publications or sources.

INFORMATION STATEMENT SUMMARY

The following summary contains selected information about us and about the Spin-Off. It does not contain all of the information that is important to you. You should review this Information Statement in its entirety, including matters set forth under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and the notes thereto included elsewhere in this Information Statement. Some of the statements in the following summary constitute forward-looking statements. See "Cautionary Statement Concerning Forward-Looking Statements."

Introduction

Our Business

Resolute Holdings is a newly formed Delaware corporation organized to provide operating management services to CompoSecure Holdings and any other companies we may manage in the future, both in the United States and internationally. We will earn management fees from CompoSecure Holdings, including any additional businesses that CompoSecure Holdings acquires from time to time, pursuant to a long-term management contract with CompoSecure Holdings, and we may enter into additional agreements to manage additional companies in the future.

Our management team, led by David Cote and Tom Knott, has a proven track record of sourcing, executing, and integrating acquired businesses and then growing and developing those businesses profitably. David Cote brings more than 40 years of operating experience across a wide range of industries. Following a variety of senior executive positions at General Electric Company ("GE") and TRW Inc. ("TRW"), Mr. Cote served as Executive Chairman of the Board and Chief Executive Officer of Honeywell International Inc. ("Honeywell") from 2002 to 2017. He has served since February 2020 as Executive Chairman of the Board of Vertiv Holdings Co. ("Vertiv"), the stock price of which increased 1,100% during his tenure (as of December 20, 2024). Mr. Knott brings more than 14 years of investment experience across a variety of asset classes and investment structures. Most recently, he led the Permanent Capital Strategies group at Goldman Sachs, where his efforts were focused on developing a platform to combine long-term capital and a disciplined acquisition strategy with best-in-class operating capabilities.

We believe the CompoSecure Management Agreement, as well as the additional management agreements we may enter in the future with additional managed companies, will provide us with recurring, long-duration management fees, and that our substantial growth prospects and scalable operating platform will position us as an industry leading operating manager. Our aspiration to become an industry leading operations manager is based on our differentiated approach of value creation through the systematic deployment of the Resolute Operating System ("ROS"), which we plan to adapt to each of the companies that we manage from time to time (*e.g.*, as the CompoSecure Operating System at CompoSecure Holdings), together with management's history of successfully building businesses into leading positions in their respective industries. We believe that the ROS will drive performance at businesses we manage and will create value at both the underlying managed businesses, including the business of CompoSecure, and at Resolute Holdings. We believe this operationally driven approach combined with our M&A and capital markets expertise is a competitive advantage that will enable us to maximize stockholder value in both companies over time.

We are a newly formed entity with no historical operations or performance data to date. Further, we expect to initially operate with limited profitability due to the initial resource investment required to build the capabilities to perform our duties required by the CompoSecure Management Agreement, which we currently anticipate will be approximately $12 million to $15 million. For more discussion on the risks associated with the Spin-Off, please refer to "Risk Factors."

Our Management Strategy

Our primary business objective is to provide operational management services to CompoSecure Holdings and any other companies we may manage in the future. Our growth will be directly aligned with our ability to grow CompoSecure Holdings profitably through operational improvements, accretive investments and diversifying acquisitions.

We refer to our management strategy as the Resolute Operating System ("ROS"), developed over 40 years by David Cote through his management experience at GE, Honeywell and Vertiv. The key tenets of the ROS are Accelerate Organic Revenue Growth, Operational Excellence, Continuous Improvement, and M&A and Capital Allocation Excellence. See "Our Business."

The Spin-Off

To effect the Spin-Off, CompoSecure will distribute all of our common stock to CompoSecure's stockholders and, following the Spin-Off, Resolute Holdings will become an independent, publicly traded company that will manage CompoSecure Holdings' day-to-day business and operations, and oversee CompoSecure Holdings' strategy, for a fee pursuant to the CompoSecure Management Agreement. The business of CompoSecure is operated by a subsidiary of CompoSecure Holdings, which is CompoSecure's only significant asset. Prior to completion of the Spin-Off, we intend to enter into the CompoSecure Management Agreement with CompoSecure Holdings, and several other agreements with CompoSecure, including a separation and distribution agreement (the "Separation and Distribution Agreement"). These agreements will govern our relationship with CompoSecure and CompoSecure Holdings up to and after completion of the Spin-Off and allocate between us, on the one hand, and CompoSecure and CompoSecure Holdings, on the other, various assets, liabilities, rights and obligations, including employee benefits and tax-related liabilities. See "Certain Relationships and Related Party Transactions."

Completion of the Spin-Off is subject to the satisfaction or waiver of a number of conditions. In addition, CompoSecure has the right not to complete the Spin-Off if, at any time, the CompoSecure Board determines, in its sole and absolute discretion, that the Spin-Off is not in the best interests of CompoSecure or its stockholders or is otherwise not advisable. See "The Spin-Off — Conditions to the Spin-Off."

Following the Spin-Off, we expect our common stock will trade on The Nasdaq Stock Market LLC under the ticker symbol "RHLD."

Controlled Company Status

CompoSecure, our indirect parent company, is a "controlled company" within the meaning of the corporate governance standards of the Exchange. As of , 2025, Resolute Compo Holdings owned approximately % of the voting power of the CompoSecure common stock and therefore is able to control all matters that require approval by the stockholders of CompoSecure, including the election and removal of directors, changes to CompoSecure's organizational documents and approval of acquisition offers and other significant corporate transactions, including the Spin-Off.

Because Resolute Compo Holdings will own approximately shares, or approximately % of the voting power, of our common stock immediately following the Spin-Off, we will also be a controlled company following the completion of the Spin-Off within the meaning of the corporate governance standards of the Exchange, and Resolute Compo Holdings will have the ability to determine all matters requiring approval by our stockholders. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the Exchange's corporate governance requirements. See "Risk Factors — Risks Related to Ownership of our Common Stock — We are a "controlled company" within the meaning of the Nasdaq listing rules and, as a result, qualify for and intend to rely on certain exemptions from certain corporate governance requirements."

Implications of Being an Emerging Growth Company

We qualify as an emerging growth company as defined in the Jumpstart Our Business Startups Act, or the JOBS Act, enacted in 2012. As an emerging growth company, we expect to take advantage of reduced reporting requirements otherwise applicable to public companies. These provisions include, but are not limited to:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act");
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and

- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We may rely on the relief provided by these provisions until the last day of our fiscal year following the fifth anniversary of the completion of the Spin-Off. However, if certain events occur prior to the end of such five-year period, including if we become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our annual gross revenues exceed $1.235 billion or we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We have elected to take advantage of certain of the reduced disclosure obligations in the Registration Statement of which this Information Statement is a part and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

Section 107 of the JOBS Act provides that an emerging growth company can take advantage of an extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "Securities Act"), for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We intend to take advantage of the benefits of this extended transition period.

Implications of Being a Smaller Reporting Company

Additionally, we are a "smaller reporting company," meaning that the market value of our shares of common stock held by non-affiliates is less than $250 million. As such, we are eligible for exemptions from various reporting requirements applicable to other public companies that are not smaller reporting companies, including, but not limited to, reduced disclosure obligations regarding executive compensation. We may continue to be a smaller reporting company as long as either (i) the market value of our shares of common stock held by non-affiliates is less than $250 million or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our shares of common stock held by non-affiliates is less than $700 million.

Our Corporate Information

We are a wholly owned subsidiary of CompoSecure Holdings. We were formed on September 27, 2024 to provide operating management services to CompoSecure Holdings and any other companies we may manage in the future. We have engaged in no business operations to date and have no assets or liabilities of any kind, other than those incidental to our formation. Our corporate headquarters will be located at 445 Park Avenue, Suite 15F, New York, NY 10022, and our telephone number is (212) 373-3000. Our website address is http://www.resoluteholdings.com. Information contained on, or that can be accessed through, our website is not part of, and is not incorporated into, this Information Statement.

Questions and Answers About CompoSecure's Reasons for the Spin-Off

The following provides only a summary of certain information regarding CompoSecure's reasons for the Spin-Off. You should read this Information Statement in its entirety for a more detailed description of the matters described below.

Q: Why I am receiving this document?

A: CompoSecure is making this document available to you because you are a CompoSecure stockholder. If you are a holder of CompoSecure common stock as of the close of business on the Record Date (as defined below), you will be entitled to receive a distribution of shares of our common stock for every shares of CompoSecure common stock that you hold on that date. This document will help you understand how the Spin-Off will result in your ownership of shares in the Company and the operations of the Company as a stand-alone entity.

Q: What are the reasons for the Spin-Off?

A: The CompoSecure Board believes that the separation of the Company from CompoSecure is in the best interests of CompoSecure and its stockholders and for the success of CompoSecure for a number of reasons. See "The Spin-Off — Reasons for the Spin-Off."

Questions and Answers about the Spin-Off

The following provides only a summary of certain information regarding the Spin-Off. You should read this Information Statement in its entirety for a more detailed description of the matters described below.

Q: What is the Spin-Off?

A: The Spin-Off is the method by which we will separate from CompoSecure. In the Spin-Off, CompoSecure will distribute to its stockholders all of the outstanding shares of our common stock. Following the Spin-Off, we will be an independent, publicly traded company.

Q: Is the completion of the Spin-Off subject to the satisfaction or waiver of any conditions?

A: Yes, the completion of the Spin-Off is subject to the satisfaction, or the CompoSecure Board's waiver, of certain conditions. Any of these conditions may be waived by the CompoSecure Board to the extent such waiver is permitted by law. In addition, CompoSecure may at any time until the Spin-Off decide to abandon the Spin-Off or modify or change the terms of the Spin-Off. See "The Spin-Off — Conditions to the Spin-Off."

Q: Can CompoSecure cancel the Spin-Off even if all conditions have been met?

A: Yes. Until the Spin-Off has occurred, CompoSecure has the right to not effect the Spin-Off, even if all of the conditions are satisfied. See "The Spin-Off — Conditions to the Spin-Off."

Q: Will the number of CompoSecure shares I own change as a result of the Spin-Off?

A: No, the number of shares of CompoSecure common stock you own will not change as a result of the Spin-Off.

Q: Will the Spin-Off affect the trading price of my CompoSecure common stock?

A: CompoSecure believes that our separation from CompoSecure offers its stockholders the greatest long-term value. There can be no assurance that, following the Spin-Off, the combined trading prices of the CompoSecure common stock and our common stock will equal or exceed what the trading price of CompoSecure common stock would have been in the absence of the Spin-Off. It is possible that after the Spin-Off, our and CompoSecure's combined

equity value will be less than CompoSecure's equity value before the Spin-Off and the trading price of CompoSecure's shares of common stock will be lower than immediately prior to the Spin-Off.

Q: What will I receive in the Spin-Off in respect of my CompoSecure common stock?

A: As a holder of CompoSecure common stock, you will receive a distribution of shares of our common stock for every shares of CompoSecure common stock you hold on the Record Date. The distribution agent will distribute only whole shares of our common stock in the Spin-Off. See "The Spin-Off — Treatment of Fractional Shares" for more information on the treatment of the fractional share you might otherwise be entitled to receive in the Spin-Off. Your proportionate interest in CompoSecure will not change as a result of the Spin-Off. For a more detailed description, see "The Spin-Off."

Q: What is being distributed in the Spin-Off?

A: CompoSecure will distribute approximately shares of our common stock in the Spin-Off, based on the approximately shares of CompoSecure common stock outstanding as of , 2025. The actual number of shares of our common stock that CompoSecure will distribute will depend on the total number of shares of CompoSecure common stock outstanding on the Record Date. The shares of our common stock that CompoSecure distributes will constitute all of the issued and outstanding shares of our common stock immediately prior to the Spin-Off. For more information on the shares being distributed in the Spin-Off, see "Description of Our Capital Stock — Common Stock."

Q: What do I have to do to participate in the Spin-Off?

A: All holders of CompoSecure common stock as of the Record Date will participate in the Spin-Off. You are not required to take any action in order to participate, but we urge you to read this Information Statement carefully. Holders of CompoSecure common stock on the Record Date will not need to pay any cash or deliver any other consideration, including any shares of CompoSecure common stock, in order to receive shares of our common stock in the Spin-Off. In addition, no stockholder approval of the Spin-Off is required. We are not asking you for a vote and request that you do not send us a proxy card.

Q: What is the record date for the Spin-Off?

A: CompoSecure will determine record ownership as of the close of business on , 2025, which we refer to as the "Record Date."

Q: When will the Spin-Off occur?

A: The Spin-Off will be effective as of , New York City time, on , 2025, which time and date we refer to as the "Distribution Date."

Q: How will CompoSecure distribute shares of our common stock?

A: On the Distribution Date, CompoSecure will release the shares of our common stock to the distribution agent to distribute to CompoSecure stockholders. The whole shares of our common stock will be credited in book-entry accounts for CompoSecure stockholders entitled to receive the shares in the Spin-Off. If you own CompoSecure common stock as of the close of business on the Record Date, and you retain your entitlement to receive the shares of our common stock through the Distribution Date, the shares of our common stock that you are entitled to receive in the Spin-Off will be issued to your account as follows:

Registered stockholders: If you own your shares of CompoSecure common stock directly in book-entry form through an account at CompoSecure's transfer agent (Continental Stock Transfer & Trust Company), you are a registered stockholder. In this case, the distribution agent will credit the whole shares of our common stock you receive in the Spin-Off by way of direct registration in book-entry form to a new account with our transfer agent. Registration in book-entry form refers to a method of recording share ownership where no physical stock certificates are issued to stockholders, as will be the case in the Spin-Off. You will be able to access information regarding your book-entry account for shares of our common stock at or by calling .

"Street name" or beneficial stockholders: If you own your shares of CompoSecure common stock beneficially through a bank, broker or other nominee, the bank, broker or other nominee holds the shares in "street name" and records your ownership on its books. In this case, your bank, broker or other nominee will credit your account with the whole shares of our common stock that you receive in the Spin-Off on or shortly after the Distribution Date. We encourage you to contact your bank, broker or other nominee if you have any questions concerning the mechanics of having shares held in "street name."

See "The Spin-Off — When and How You Will Receive Our Shares" for a more detailed explanation.

Q: If I sell my shares of CompoSecure common stock on or before the Distribution Date, will I still be entitled to receive shares of Resolute Holdings common stock in the Spin-Off?

A: If you sell your shares of CompoSecure common stock before the Record Date, you will not be entitled to receive shares of our common stock in the Spin-Off. If you hold shares of CompoSecure common stock on the Record Date and decide to sell them on or before the Distribution Date, you may have the ability to choose to sell your CompoSecure common stock with or without your entitlement to receive our common stock in the Spin-Off. You should discuss the available options in this regard with your bank, broker or other nominee. See "The Spin-Off — Trading Prior to the Distribution Date."

Q: How will fractional shares be treated in the Spin-Off?

A: The distribution agent will not distribute any fractional shares of our common stock in connection with the Spin-Off. Instead, the distribution agent will aggregate all fractional shares into whole shares and sell the whole shares in the open market at prevailing market prices on behalf of CompoSecure stockholders entitled to receive a fractional share. The distribution agent will then distribute the aggregate cash proceeds of the sales, net of brokerage fees, transfer taxes and other costs, pro rata to these holders (net of any required withholding for taxes applicable to each holder). See "The Spin-Off — Treatment of Fractional Shares" for a more detailed explanation of the treatment of fractional shares. The receipt of cash in lieu of fractional shares generally will be taxable to the recipient CompoSecure stockholders for U.S. federal income tax purposes as described in the section entitled "Material U.S. Federal Income Tax Consequences of the Spin-Off." The distribution agent will, in its sole discretion, without any influence by CompoSecure or us, determine when, how, through which broker-dealer and at what price to sell the whole shares of our common stock. The distribution agent is not, and any broker-dealer used by the distribution agent will not be, an affiliate of either CompoSecure or us.

Q: What are the U.S. federal income tax consequences to me of the Spin-Off?

A: Under U.S. federal income tax laws, a U.S. holder (as defined in "Material U.S. Federal Income Tax Consequences of the Spin-Off" of this Information Statement) must include in its gross income the gross amount of any dividend paid by CompoSecure to the extent of its current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Based on current projections of its current or accumulated earnings and profits,

CompoSecure expects that the full amount of the Spin-Off distribution will be treated as a dividend for U.S. federal income tax purposes. Accordingly, U.S. holders should expect to treat the distribution as a taxable dividend for U.S. federal income tax purposes. CompoSecure or other applicable withholding agents may be required or permitted to withhold at the applicable rate on all or a portion of the distribution payable to Non-U.S. holders (as defined in "Material U.S. Federal Income Tax Consequences of the Spin-Off" of this Information Statement), and any such withholding would be satisfied by CompoSecure or such agent by withholding and selling a portion of the shares of Resolute Holdings common stock that otherwise would be distributable to Non-U.S. holders or by withholding from other property held in the Non-U.S. holder's account with the withholding agent. See "Material U.S. Federal Income Tax Consequences of the Spin-Off" for further information.

Q: What will the Company's relationship be with CompoSecure following the Spin-Off?

A: In connection with the Spin-Off, we and CompoSecure Holdings will enter into the CompoSecure Management Agreement, which will govern our management of CompoSecure Holdings in exchange for the payment by CompoSecure Holdings to us of management fees. In addition, we will enter into several agreements with CompoSecure, including the Separation and Distribution Agreement (as defined below). Together with the CompoSecure Management Agreement, these agreements will provide a framework for our relationship with CompoSecure and CompoSecure Holdings after the Spin-Off and provide for the allocation between us and CompoSecure of CompoSecure Holdings' assets, liabilities, rights and obligations (including employee benefits and tax-related liabilities) attributable to periods prior to, at and after our Spin-Off from CompoSecure. For additional information regarding the Separation and Distribution Agreement and other transaction agreements, see "Risk Factors — Risks Related to the Spin-Off."

Q: Who will manage the Company after the Spin-Off?

A: Led by David Cote, who will be our Executive Chairman after the Spin-Off, Tom Knott, who will be our Chief Executive Officer after the Spin-Off, and Kurt Schoen, who will be our Chief Financial Officer after the Spin-Off, our executive management team possesses deep knowledge of, and extensive experience in, managing global companies. Our executive management team has been involved in strategic decisions with respect to the Company and in establishing a vision for the future of the Company. See "Management."

Q: What will govern my rights as a Resolute Holdings stockholder?

A: Your rights as a Resolute Holdings stockholder will be governed by Delaware law, as well as our amended and restated certificate of incorporation and our amended and restated bylaws. See "Description of Our Capital Stock."

Q: Do I have appraisal rights in connection with the Spin-Off?

A: No. Holders of CompoSecure common stock are not entitled to appraisal rights in connection with the Spin-Off.

Q: Where can I get more information?

A: If you have any questions relating to the mechanics of the Spin-Off, you should contact the distribution agent at:

Continental Stock Transfer & Trust Company
1 State Street — 30th Floor
New York, NY 10004
Tel: 800-509-5586
Email: cstmail@continentalstock.com

If you have any questions relating to the Spin-Off or Resolute Holdings, you should contact us at:

Resolute Holdings Management, Inc.
445 Park Avenue, Suite 15F
New York, NY 10022
Email: info@resoluteholdings.com

Questions and Answers About Resolute Holdings

The following provides only a summary of certain information regarding Resolute Holdings. You should read this Information Statement in its entirety for a more detailed description of the matters described below.

Q: Do we intend to pay cash dividends?

A: Once the Spin-Off is effective, we will determine the optimal allocation of capital to achieve our strategy and deliver competitive returns to our stockholders, including whether to pay cash dividends to our stockholders. The timing, declaration, amount and payment of future dividends to stockholders, if any, will fall within the discretion of our Board. Among the items we will consider when establishing a dividend policy will be the capital needs of our business and opportunities to retain future earnings for use in the operation of our business and to fund future growth including future acquisitions. See "Dividend Policy."

Q: How will our common stock trade?

A: We have applied to list our common stock on The Nasdaq Stock Market LLC under the ticker symbol "RHLD." Currently, there is no public market for our common stock. We anticipate that trading in our common stock will begin on a "when-issued" basis as early as the Record Date for the Spin-Off and will continue up to and including the Distribution Date. "When-issued" trading in the context of a spin-off refers to a sale or purchase made conditionally on or before the Distribution Date because the securities of the spun-off entity have not yet been distributed. "When-issued" trades generally settle within one trading day after the Distribution Date. On the first trading day following the Distribution Date, any "when-issued" trading of our common stock will end and "regular-way" trading will begin. Regular-way trading refers to trading after the security has been distributed and typically involves a trade that settles on the first full trading day following the date of the trade. See "The Spin-Off — Trading Prior to the Distribution Date." We cannot predict the trading prices for our common stock before, on or after the Distribution Date.

Q: Who is the transfer agent and registrar for our common stock?

A: Continental Stock Transfer & Trust Company is the transfer agent and registrar for our common stock.

Q: Are there risks associated with owning shares of our common stock?

A: Yes, there are substantial risks associated with owning shares of our common stock. Accordingly, you should read carefully the information set forth under the section entitled "Risk Factors" in this Information Statement.

Summary of Risk Factors

An investment in our company is subject to a number of risks. These risks relate to our business, the business of CompoSecure, which is operated through CompoSecure Holdings, the Spin-Off, our common stock and the securities market. Any of these risks and other risks could materially and adversely affect our business, results of operations, cash flows and financial condition and the actual outcome of matters as to which forward-looking statements are made in this Information Statement. Please read the information in the section captioned "Risk Factors" of this Information Statement for a description of the principal risks that we face. Some of the more significant challenges and risks we face include the following:

- Risks related to our business, including:
  - Following the Spin-Off, we will manage the business of a single company, CompoSecure Holdings, which subjects us to a greater risk of significant loss.
  - Our growth prospects may depend upon the successful negotiation of management agreements with additional managed companies, our ability to conduct due diligence into such companies, and the payment by those companies to us of performance-based management fees.
  - Management fees payable to us by our managed companies may impact our management priorities.
  - We may change our strategies from time to time.
  - The termination of the CompoSecure Management Agreement or other management agreements, or the reduction of management fees payable to us thereunder, would materially and adversely affect us.
  - Our managed companies, including CompoSecure Holdings, may not be able to successfully fund future activities of new businesses on acceptable terms.
  - We may enter into management agreements with a limited number of companies, or with companies that are concentrated in certain industries or geographic regions, which could negatively affect our performance to the extent those concentrated holdings perform poorly.
  - Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our financial results or financial condition.
  - We and our managed companies are dependent upon our key personnel for our future success, particularly David Cote and Tom Knott.
  - Conflicts of interest with our directors, executive officers or other employees could damage our reputation and negatively impact our business.
- Risks related to the business of CompoSecure, which is operated through CompoSecure Holdings, each of which could materially adversely affect CompoSecure Holdings' financial condition and results of operations and impact the management fee payable to us, including:
  - Risks of rapidly evolving domestic and global economic conditions, which are beyond CompoSecure's control.
  - CompoSecure may not be able to sustain its revenue growth rate in the future.
  - CompoSecure may fail to retain existing customers or identify and attract new customers.
  - Data and security breaches could compromise CompoSecure's systems and confidential information, cause reputational and financial damage and increase risks of litigation.
  - System outages, data loss or other interruptions could affect CompoSecure's operations.
  - Disruptions could occur at CompoSecure's primary production facilities (including a disruption resulting from a global, national or local public health crisis).
  - CompoSecure may not be able to recruit, retain and develop qualified personnel, including for areas of newer specialized technology.

- CompoSecure's future growth may depend upon its ability to develop, introduce, manufacture and commercialize new products, which can be a lengthy and complex process, and CompoSecure may be unable to introduce new products and services in a timely manner.
- Disruptions in CompoSecure's operations or supply chain or the performance of its suppliers and/or development partners could occur.
- CompoSecure has limited experience in the digital assets industry and may not succeed in fully commercializing the products and solutions derived from the Arculus platform.
- Digital asset wallet storage systems, such as the Arculus Cold Storage Wallet, are subject to risks related to a loss of funds due to theft of digital assets, security and cybersecurity risks, system failures and other operational issues.
- Regulatory changes or actions may restrict the use of the Arculus Cold Storage Wallet or digital assets.
- Risks related to the rapid evolution of the security markets, including that CompoSecure's Arculus Authenticate solutions may not achieve widespread market acceptance or may not provide sufficient protection.
- CompoSecure's dependence on certain distribution partners and the risk of their loss.
- Risks to market share and profitability due to competition.

- Risks related to the Spin-Off, including:
  - No market for our common stock currently exists, and an active trading market may not develop or be sustained after the Spin-Off. Following the Spin-Off, our stock price may fluctuate significantly, and the combined trading prices of our common stock and the CompoSecure common stock may not exceed the trading price of CompoSecure common stock absent the Spin-Off.
  - The Spin-Off will be taxable and holders of CompoSecure common stock will recognize taxable income, and the resulting tax liability to holders of CompoSecure common stock may exceed the amount of cash received in the Spin-Off in lieu of fractional shares.
  - Substantial sales of our common stock may occur in connection with the Spin-Off, or in the future, which could cause our stock price to decline or be volatile.
  - We may be unable to achieve some or all of the benefits that we expect to achieve from the Spin-Off.

RISK FACTORS

You should carefully consider the following risks and other information in this Information Statement in evaluating Resolute Holdings and Resolute Holdings' common stock. Any of the following risks could materially and adversely affect Resolute Holdings' business, financial condition, or results of operations.

Risks Related to Our Business

Following the Spin-Off, we will manage a single company, CompoSecure Holdings, which subjects us to a greater risk of significant loss.

Effective at the completion of the Spin-Off, we will enter into the CompoSecure Management Agreement. Although our business strategy is to enter into management agreements with other companies, no assurance can be given that we will be successful. As a result, for so long as our only management agreement is the CompoSecure Management Agreement, our revenues will be dependent on the management fees and other payments we receive from CompoSecure Holdings. The quarterly management fee we are entitled to receive from CompoSecure Holdings will be based on the performance of CompoSecure Holdings and, in particular, CompoSecure Holdings' last 12 months' Adjusted EBITDA, measured for the period ending on the fiscal quarter then ended as calculated in accordance with the CompoSecure Management Agreement. See "Certain Relationships and Related Party Transactions — CompoSecure Management Agreement — Management Fee." Our business will therefore be subject to the business risks of CompoSecure, and may be significantly adversely affected if CompoSecure Holdings performs poorly or does not perform as expected. The business of CompoSecure, which is operated through a subsidiary of CompoSecure Holdings, is subject to risks that include, among other things, rapidly evolving domestic and global economic and political conditions, such as the war in Ukraine or global pandemics such as a resurgence of COVID-19, CompoSecure's ability to maintain its relationships with its customers and attract new customers, increased competition, cybersecurity and information technology ("IT") infrastructure needs, disruptions to CompoSecure's ability to manufacture new and existing products, supply chain and distribution issues, changes in the regulatory regimes to which CompoSecure is subject, CompoSecure's ability to protect its intellectual property rights and the satisfactory resolution of disputes related thereto and product liability and warranty claims. Many of these factors may be beyond our control. If CompoSecure experiences these or other events, its business could be materially and adversely affected and the management fee to which we are entitled could be lower than we expect. See "Risks Related to the Business of CompoSecure" elsewhere in this Risk Factors section. Furthermore, we expect that the initial resource investments required to build the capabilities required for us to perform our duties required by the CompoSecure Management Agreement will result in us initially operating with limited profitability.

Additionally, for so long as our managed companies consist solely or primarily of CompoSecure Holdings, our growth prospects will be substantially dependent on our ability to effectively manage and expand CompoSecure's business, including by successfully identifying, negotiating, completing and integrating strategic acquisitions. Our ability to expand CompoSecure's business is subject to a number of risks, including the inability to identify satisfactory strategic acquisition targets, difficulties in successfully integrating acquired operations and businesses, loss of key personnel, diversion of management resources, financial risks including unanticipated liabilities and incremental compliance costs due to the acquisition of businesses subject to heavy regulation and risks associated with achieving cost synergies. If we are unable to expand CompoSecure's business, or such attempts are more costly or less successful than anticipated, our financial condition and results of operations could be adversely impacted.

Our growth prospects may depend upon the successful negotiation of management agreements with additional managed companies and the payment by those companies to us of performance-based management fees.

The successful expansion of our business may depend on our ability to identify additional companies with which to enter into agreements to manage their respective businesses in return for the payment to us of management fees and to effectively manage such additional businesses. We expect to face significant competition in identifying potential additional managed companies from a variety of other entities, including institutional investors and private equity, hedge and investment funds. For example, many of these entities may seek to acquire the potential managed company, which may make the value offered by one or more of

these competitors more attractive to the managed company or its existing investors. Additionally, these competitors may have, among other things, greater resources, longer operating histories, more established relationships, greater expertise, better reputations, better access to funding, different regulatory barriers and different risk tolerances than we do. As a result, this competition could mean that we lose opportunities to enter into management agreements with prospective managed companies, or that the terms on which we enter into management agreements could be less beneficial to us than would otherwise have been the case. Even if we are successful in negotiating additional management agreements with one or more prospective managed companies, we may be unable to successfully manage the day-to-day business and operations and oversee the strategy of these companies, which could result in us receiving lower management fees than we expect, and which could have a materially adverse impact on our business.

Additionally, we could incur significant fees and expenses identifying, investigating and attempting to enter into management agreements with potential managed companies, some of which we ultimately may not contract with, including fees and expenses relating to due diligence, transportation and travel, including in extended negotiation processes. Our ability to incur such fees and expenses will depend on our receipt of management fees from our managed companies and may depend on our ability to access other sources of financing, each of which is subject to the other risks described in this section. Furthermore, the demands on the time of our management team will increase if and as we seek to increase the number of companies that we manage, which could reduce the time that our management team has to allocate to the management of our existing managed company or companies, each of which could have a material adverse effect on our business.

We expect to structure the management fee payable to us pursuant to any future management agreement to be based on the managed company's respective financial performance. We intend to select managed companies for management on the basis of anticipated future performance, considering such companies' past results of operations and financial condition, macroeconomic conditions and other factors that our Board deems advisable from time to time. However, our estimates of such fees will be based on the past results of operations of such managed companies and will require certain assumptions about their future performance, which may not be accurate. No assurance can be given that our estimates of future management fees to which we will be entitled will be correct during any particular period. The overall performance and financial results of other managed companies in the future, if any, may depend on factors beyond our control and may be subject to risks that differ from those that impact the business of CompoSecure.

The management fees payable to us by our managed companies may impact our management priorities or cause us to select riskier managed company businesses to increase our compensation.

The CompoSecure Management Agreement provides, and we expect that any management agreements we enter into with additional managed companies in the future will provide, for a management fee based on the achievement of targeted levels of certain performance metrics defined in each such management agreement. Certain of these measures may not be calculated in accordance with generally accepted accounting principles and may exclude the impact of certain costs, expenses and charges such as non-cash equity compensation expenses, depreciation and amortization, unrealized gains, losses or other non-cash items recorded in net income (loss) and non-recurring events, among others. For example, pursuant to the CompoSecure Management Agreement, we will earn a quarterly management fee based on CompoSecure Holdings' last 12 months' Adjusted EBITDA, measured for the period ending on the fiscal quarter then ended as calculated in accordance with the CompoSecure Management Agreement. See "Certain Relationships and Related Party Transactions — CompoSecure Management Agreement — Management Fee." In evaluating our management strategies, the opportunity to earn incentive fees based on such measures may lead us to place undue emphasis on the maximization of such measures at the expense of other criteria, such as preservation of a managed company's capital, in order to achieve higher management fee revenues.

We face risks associated with conducting due diligence into potential additional managed companies.

Before entering into a management agreement with a new managed company, we expect to conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each managed company. Due diligence might entail evaluation of important and complex business, financial, tax, accounting, environment, social and governance matters ("ESG") and legal issues and assessment of

cybersecurity and information technology systems. Outside consultants, legal advisors, accountants, investment banks and other third parties might be involved in the due diligence process to varying degrees depending on the type of managed company. Such involvement of third-party advisors or consultants can present a number of risks primarily relating to our reduced control of the functions that are outsourced. In addition, if we are unable to timely engage third-party providers, our ability to evaluate and negotiate with more complex managed companies could be adversely affected.

When conducting due diligence and making an assessment regarding a potential managed company, we expect to rely on the resources available to us, including publicly available information about a potential managed company, and in some cases, information provided by the company and/or third-party investigations. The due diligence investigation that we, or third parties acting on our behalf, carry out with respect to a potential managed company might not reveal or highlight all relevant facts that are necessary or helpful in evaluating such potential managed company. Certain considerations covered by our diligence are continuously evolving, including from an assessment, regulatory and compliance standpoint, and we may not accurately or fully anticipate such evolution. In addition, instances of fraud and other deceptive practices committed by the management teams of potential managed companies could undermine our due diligence efforts with respect to such companies. Moreover, such an investigation will not necessarily result in the managed company being successful. Conduct occurring at managed companies, even activities that occurred prior to the Company's management, could have an adverse impact on our results of operations and financial condition.

We may change our strategies from time to time.

While we generally intend to seek attractive returns primarily through the long-term management of the businesses of CompoSecure and of additional managed companies that we may identify from time to time, we may pursue additional business strategies and may modify or depart from our initial business strategy, process and techniques, in light of changing market conditions or other factors as we determine appropriate. For example, we may decide to focus our efforts on the management of the business of CompoSecure or a small number of managed companies, or we may pursue additional management agreements with additional managed companies in varied business sectors and/or geographic regions that provide for short- or long-term management of all or less than all of a managed company's business. Any projections/estimates regarding the number, size or type of companies that we may manage, the manner in which we may manage such companies, or the fee arrangements that we may enter into with such companies (or similar estimates) are estimates based only on our intent as of the date of such statements and are subject to change due to market conditions and/or other factors.

There is no information as to the nature and terms of any managed companies that a prospective stockholder can evaluate when determining whether to purchase our shares. Stockholders will not have an opportunity to evaluate for themselves or to approve any managed companies or any management arrangements, if any, that we enter into with such additional managed companies. Stockholders will therefore be relying on our discretion whether to manage additional companies and our ability to select any such additional companies to be managed by us and to agree to the terms on which we will manage such companies, including the terms of any management fees. Because management of the business of CompoSecure and any such additional managed companies is expected to occur over a substantial period of time, we face a number of risks, including the risk of adverse changes in the financial markets.

The termination of the CompoSecure Management Agreement or the management agreements that we may enter into with other companies from time to time, or the reduction of the management fees payable to us thereunder, would materially and adversely affect us.

The CompoSecure Management Agreement will initially have a term of 10 years, following which it will be subject to automatic renewal for successive 10-year periods. We and CompoSecure Holdings will each have the right to terminate the CompoSecure Management Agreement upon the occurrence of certain events, including certain events in connection with which CompoSecure Holdings will have the right to terminate the CompoSecure Management Agreement without paying to us any termination fees. See "Certain Relationships and Related Party Transactions — CompoSecure Management Agreement — Termination and Termination Fee." Additionally, following the initial term of the CompoSecure Management Agreement, the management fees payable to us thereunder could be reduced, including upon an election by us not to

receive our management fee for a given quarterly period. See "Certain Relationships and Related Party Transactions — CompoSecure Management Agreement — Management Fee." Furthermore, the management agreements that we may enter into with other companies from time to time may contain termination and renewal provisions, and those provisions may or not be similar to the termination and renewal provisions contained in the CompoSecure Management Agreement. The termination of any management agreement, including the CompoSecure Management Agreement, or the reduction of fees payable to us thereunder, would each have a material adverse impact on our financial condition and results of operations.

Our managed companies, including CompoSecure Holdings, may not be able to successfully fund future activities of new businesses on acceptable terms.

In order for our managed companies to undertake certain future business activities, including future strategic acquisitions, we expect that our managed companies, including CompoSecure Holdings, will need to raise capital primarily through the sale of additional shares of equity securities or through the incurrence of debt. The timing and size of such funding cannot be readily predicted, and our managed companies may need to obtain funding on short notice in order for them and for us to fully benefit from attractive opportunities. Such funding may not be available on terms favorable or acceptable to us or at all, which could limit our managed companies' ability to undertake these business activities, and which in turn could materially adversely impact our ability to successfully pursue our strategy of growth.

We may enter into management agreements with a limited number of companies, or with companies that are concentrated in certain industries or geographic regions, which could negatively affect our performance to the extent those concentrated holdings perform poorly.

We are not subject to any requirements as to the degree of diversification of the companies we manage, either by size, geographic region, asset type or sector. Although we expect to seek to manage diversified companies, to the extent the companies we manage are concentrated in a particular market, we may become more susceptible to fluctuations in value and returns resulting from adverse economic or business conditions affecting that particular market. During periods of difficult market conditions or economic slowdown in certain regions and in countries, the adverse effect on us could be exacerbated by a geographic or sectoral concentration of our managed companies. For us to achieve attractive returns, it might be the case that one or a few of our managed companies need to perform very well. There are no assurances that this will be the case.

Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our financial results or financial condition.

Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations regarding a wide range of matters relevant to our business, such as revenue recognition, asset impairment and fair value determinations, inventories, business combinations and intangible asset valuations, leases, litigation, among others, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in our assumptions, estimates or judgments could significantly change our reported or expected financial performance or financial condition.

We are a new company and have a limited operating history.

We have a limited operating history upon which prospective stockholders can evaluate our performance. Further, stockholders should draw no conclusions from the prior experience of the members of our management team and should not expect to achieve similar returns. The past performance of our management team is not predictive of our performance, in particular because the structure, terms and objectives of the entities in or through which they achieved such performance may differ from ours. Any information regarding performance by, or businesses associated with, David Cote and other members of our management team is presented for informational purposes only. Any past experience and performance, including related to the acquisition of interests in, and management of, companies by David Cote or other members of our management team is not a guarantee of any results with respect to our future performance.

You should not rely on the historical record and performance of David Cote or other members of our management team, or the companies and other entities with which they are or have been associated, as indicative of the future performance of an investment in us or the returns we will, or are likely to, generate going forward. Our managed companies may differ in a number of respects from previous companies that our management team have managed or in which they have invested. Additionally, our management team has not previously sponsored or managed a company whose business is based on the generation of fees from the long-term management of public companies across multiple industries, sectors and geographies. Moreover, we are subject to all of the business risks and uncertainties associated with any new managed company, including the risk that we will not achieve our business objectives and that the value of our common stock could decline substantially.

We and our managed companies are dependent upon our key personnel for our future success, particularly David Cote and Tom Knott.

We are dependent on our key management members to carry out our business strategies, including the management of CompoSecure Holdings, the identification and management of additional managed companies from time to time, and the execution of our business strategy described in the section titled "Our Business." Our future success depends to a significant extent on the continued service and coordination of our personnel, including our senior management team, particularly David Cote, our Executive Chairman, and Tom Knott, our Chief Executive Officer. The extent and nature of the experience of Mr. Cote, Mr. Knott and our other personnel and the nature of the relationships they have with external contacts, although not guarantees of positive results, are critical to the success of our business. Our personnel have significant management experience, and we cannot assure stockholders of their continued employment with us. The unplanned departure of any of our personnel could have a material adverse effect on our ability to implement our business strategy and could have a material adverse effect on our business, financial condition or results of operations. Furthermore, competition for experienced management personnel could require us to pay higher compensation and provide additional benefits to retain or attract qualified personnel, which could result in higher compensation expenses for us. Additionally, our management members' other commitments may result in a conflict of interest in allocating their time between our operations and our management and operations of other businesses. See "Risks Related to Our Business — Conflicts of interest with our directors, executive officers or other employees could damage our reputation and negatively impact our business."

Conflicts of interest with our directors, executive officers or other employees could damage our reputation and negatively impact our business.

Our arrangements with our directors, executive officers and other employees could give rise to additional conflicts of interest. The following discussion describes certain of these actual, potential or apparent conflicts of interest and how we intend to manage them. If we are unable to successfully manage conflicts of interest relating to arrangements with our directors, executive officers and other employees, we could be subject to lawsuits or regulatory enforcement actions or we could face other adverse consequences and reputational harm, all of which could cause our performance to suffer and thus adversely affect our results of operations, financial condition and cash flow. The following summary is not intended to be an exhaustive list of all conflicts or their potential consequences. Identifying potential conflicts of interest is complex and fact-intensive, and it is not possible to foresee every conflict of interest that will arise.

Potential conflicts of interest with our directors, executive officers or other employees. Our directors, executive officers and other employees, including Mr. Cote and Mr. Knott, may engage in other business activities. This may result in a conflict of interest in allocating their time between our operations and our management and operations of other businesses. Additionally, some of our directors, executive officers or other employees are or will be directors, executive officers, employees or direct or indirect holders of interests in CompoSecure and/or our other managed companies. In addition, our directors, executive officers and other employees are not expressly prohibited from investing in or managing other entities, including those that are in the same or similar line of business as our managed companies. Our management agreements and the related obligations to provide management services will not create a mutually exclusive relationship between us, on the one hand, and our managed companies, including CompoSecure Holdings, on the other. As a result, our directors, executive officers and other employees may have duties to these other entities,

which duties could conflict with the duties they owe to us and could result in action or inaction detrimental to our business. One or more committees of our Board, excluding any directors who may have an interest or involvement, will review and address, as appropriate, certain actual or perceived conflicts of interest involving, among others, our executive officers or directors, and our related person transactions policy requires the review by one or more committees of our Board, excluding any directors who may have an interest or involvement, of certain transactions involving us and our directors, executive officers, 5% or greater stockholders and other related persons as defined under the policy. Nevertheless, potential or perceived conflicts could lead to investor dissatisfaction, harm our reputation or result in litigation or regulatory enforcement actions.

Interest of our directors, executive officers or other employees in our managed companies. Certain of our directors, executive officers and other employees, or their respective affiliates, directly or indirectly, currently hold and may in the future hold interests in CompoSecure, and may in the future hold interests in our other managed companies, in each case that differ from your interests in such companies. While we believe that these interests help align the interests of our directors, executive officers and other employees with those of our managed companies' investors and provide a strong incentive to enhance the performance of our managed companies, these arrangements could also give rise to conflicts of interest. For example, pursuant to the CompoSecure Management Agreement, we will have the ability to waive or defer any fees payable to us by CompoSecure Holdings, and we expect to negotiate additional management agreements such that we will have the ability to waive or defer fees payable from time to time from additional managed companies under their respective management agreements, and the interests of our directors, executive officers and other employees (or their respective affiliates) in such managed companies could influence our decisions whether to waive or defer any such fees. Additionally, our directors, executive officers and other employees may from time to time receive a portion of their compensation from our managed companies, which may influence the manner in which we manage such companies. Additionally, some of our directors, executive officers or other employees (or their respective affiliates) may also have or make personal investments in entities that are not affiliated with us that may compete for the same management opportunities, which likewise could give rise to potential conflicts of interest.

Risks Related to the Business of CompoSecure

Rapidly evolving domestic and global economic conditions are beyond CompoSecure's control and could materially adversely affect CompoSecure's business, operations and results of operations.

U.S. and international markets and, in particular, the rapidly evolving digital assets industry, are experiencing uncertain and volatile economic conditions, including from the impacts of Russian aggression in Ukraine, the ongoing conflict in Israel, Gaza and the surrounding areas, inflation, threats or concerns of recession, a global, national or local public health crisis (such as the COVID-19 pandemic) and/or supply chain disruptions. These conditions make it extremely difficult for CompoSecure and its suppliers to accurately forecast and plan future business activities. Additionally, a significant downturn in the domestic or global economy may cause CompoSecure's existing customers to pause or delay orders and prospective customers to defer new projects. Together, these circumstances create an environment in which it is challenging for CompoSecure to predict future operating results, particularly for its new Arculus business. If these uncertain business, macroeconomic or political conditions continue or further decline, CompoSecure's business, financial condition and results of operations could be materially adversely affected, each of which could impact the management fee payable to us.

CompoSecure may not be able to sustain its revenue growth rate in the future.

CompoSecure may not continue to achieve sales growth in the future, and you should not consider its recent sales growth as indicative of future performance. It is also possible that CompoSecure's growth rate may slow in future periods due to a number of factors, which may include slowing demand for its products, increased competition, decreasing growth of its overall market or inability to engage and retain customers. If CompoSecure is unable to maintain consistent sales or continue its sales growth, it may be difficult for CompoSecure to maintain profitability, which could have an adverse impact on the management fee payable to us.

Failure to retain existing customers or identify and attract new customers could adversely affect CompoSecure's business, financial condition and results of operations.

CompoSecure's two largest customers are American Express and JPMorgan Chase. Together, these customers represented approximately 71% and 67% of CompoSecure Holdings' net sales for the years ended December 31, 2023 and 2022, respectively. CompoSecure's ability to meet its customers' high-quality standards in a timely manner is critical to its business success. If CompoSecure is unable to provide its products and services at high quality and in a timely manner, its customer relationships may be adversely affected, which could result in the loss of customers.

CompoSecure's ability to maintain relationships with its customers or attract new customers may be impacted by several factors beyond its control, including more attractive product offerings from its competitors, widespread industry disruptions (such as market disruptions in the digital assets industry, as well as potential adoption or enactment of new regulatory rules or legislation, new regulatory enforcement outcomes and new case law developments), pricing pressures or the financial health of these customers, many of whom operate in competitive businesses and depend on favorable macroeconomic conditions. In addition, CompoSecure may also be limited in the products it can offer and the pricing it can receive for such products due to restrictions present in certain of its customer contracts, which may negatively impact its ability to retain existing customers or attract new customers. If CompoSecure experiences difficulty retaining customers and attracting new customers, its business, financial condition and results of operations may be materially and adversely affected, which may materially and adversely affect the management fee payable to us.

Data and security breaches could compromise CompoSecure's systems and confidential information, cause reputational and financial damage and increase risks of litigation, which could adversely affect its business, financial condition and results of operations.

CompoSecure's IT infrastructure's ability to reliably and securely protect the sensitive confidential information of its customers, which include large financial institutions, is critical to its business. Security breaches have become more common across many industries. Cyber incidents have been increasing in sophistication and can include third parties gaining access to employee or customer data using stolen or inferred credentials, computer malware, viruses, spamming, phishing attacks, ransomware, card skimming code and other deliberate attacks and attempts to gain unauthorized access. The occurrence of these types of incidents in CompoSecure's computer networks, databases or facilities could lead to the inappropriate use or disclosure of personal information, including sensitive personal information of customers and employees, which could harm CompoSecure's business and reputation, adversely affect consumers' confidence in CompoSecure's business and products, result in inquiries and fines or penalties from regulatory or governmental authorities, cause a loss of customers, pose increased risks of lawsuits and subject CompoSecure to potential financial losses.

Additionally, it is possible that unauthorized access to sensitive customer and business data may be obtained through inadequate use of security controls by CompoSecure's customers, suppliers or other vendors.

CompoSecure has administrative, technical and physical security measures in place and has implemented policies and procedures to both evaluate the security protocols and practices of its vendors and to contractually require service providers to whom CompoSecure discloses data to implement and maintain reasonable privacy and security measures. However, although cybersecurity remains a high priority, CompoSecure's activities and investment may not sufficiently protect its system or network against cyber threats, nor sufficiently prevent or limit the damage from any future security breaches. As these threats continue to evolve, CompoSecure may be required to expend significant capital and other resources to protect against these security breaches or to alleviate problems caused by these breaches, including costs to deploy additional personnel and protection technologies, train employees and engage third-party experts and consultants, which could materially and adversely affect CompoSecure's business, financial condition and results of operations. Although CompoSecure maintains cyber liability insurance, CompoSecure cannot be certain that its coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to CompoSecure on economically reasonable terms or at all. Furthermore, any material breach of CompoSecure's security systems could harm its competitive position, result in a loss of customer trust and

confidence and cause CompoSecure to incur significant costs to mitigate or remedy any damage resulting from system or network disruptions, whether caused by cyber-attacks, security breaches or otherwise, which could ultimately adversely affect its business, financial condition and results of operations and adversely affect the management fee payable to us.

System outages, data loss or other interruptions affecting CompoSecure's operations could adversely affect its business and reputation.

The ability to efficiently execute and operate business functions and systems without interruption is critical to CompoSecure's business. A significant portion of the communication between CompoSecure's employees, customers and suppliers relies upon CompoSecure's integrated and complex IT systems. CompoSecure depends on the reliability of its IT infrastructure and software and its ability to expand and innovate its technologies and technological processes in response to changing needs. A system outage or data loss or interruption could cause damage to CompoSecure's brand and reputation. Such operational interruptions could also cause CompoSecure to become liable to third parties, including its customers. CompoSecure must be able to protect its processing and other systems from interruption to successfully operate its business. In an effort to do so, CompoSecure has taken preventative actions and adopted protective procedures to ensure the continuation of core business operations in the event that normal operations could not be performed because of events outside of CompoSecure's control. These actions and procedures taken and adopted by CompoSecure may, however, not be sufficient to prevent or limit the damage from future disruptions, if any, and any such disruptions could adversely affect CompoSecure's business, financial condition and results of operations and could adversely affect the management fee payable to us.

Disruptions at CompoSecure's primary production facility may adversely affect its business, results of operations and/or financial condition.

A substantial portion of CompoSecure's manufacturing capacity is located at its primary production facilities in New Jersey. Any serious disruption at such facilities (including a disruption resulting from a global, national or local public health crisis) could impair CompoSecure's ability to manufacture enough products to meet customer demand and could increase its costs and expenses and adversely affect its revenues. Long-term production disruptions may cause its customers to modify their payment card programs to use plastic cards or to seek alternative supply of metal cards. Any such production disruptions could adversely impact CompoSecure's business, financial condition and results of operations, which could adversely impact the management fee payable to us.

CompoSecure's products and technological processes are highly complex, require specialized equipment to manufacture and are subject to strict tolerances and requirements. CompoSecure has experienced in the past, and may experience in the future, production disruptions due to machinery or technology failures, or as a result of external factors such as delays or quality control issues regarding materials provided by CompoSecure's suppliers. Utilities interruption or other factors beyond CompoSecure's control like natural disasters may also cause production disruptions. Such disruptions can reduce product yields and product quality, or interrupt or halt production altogether. As a result, CompoSecure may be required to deliver products at a lower quality level in a less timely or cost-effective manner, rework or replace products, or may not be able to deliver products at all. Any such event could adversely affect CompoSecure's business, financial condition and results of operations, which could adversely affect the management fees payable to us.

CompoSecure's future growth may depend upon its ability to develop, introduce, manufacture and commercialize new products, which can be a lengthy and complex process. If CompoSecure is unable to introduce new products and services in a timely manner, its business could be materially adversely affected.

The markets for CompoSecure's products and services are subject to technological changes, frequent introductions of new products and services and evolving industry standards. The process for developing innovative or technologically enhanced products can deplete time, money and resources and requires the ability to accurately forecast technological, market and industry trends. For example, CompoSecure has historically focused on the payment card industry, but it is a new entrant into the digital assets industry. In

order to achieve successful technical execution of new products, CompoSecure may need to undertake time-consuming and expensive research and development activities, which could negatively impact the servicing of its existing customers. CompoSecure may also experience difficult market conditions, such as the widespread disruptions in the digital asset industry, that could delay or prevent the successful research and development, marketing launches and consumer deployment of such newly designed products, whereby CompoSecure could incur significant additional cost and expense. If the products and solutions derived from the Arculus platform fail to gain market acceptance, CompoSecure's ability to achieve future growth could be significantly impaired. In addition, competitors may develop and commercialize competing products faster and more efficiently than CompoSecure is able to do so, which could further negatively impact its business.

CompoSecure's product and service offerings could be rendered obsolete if CompoSecure is unable to develop and introduce innovative products in a cost-effective and timely manner. In particular, the rise in the adoption of wireless or mobile payment systems may make physical metal cards less attractive as a method of payment, which could result in less demand for these products. Although to date CompoSecure has not witnessed a material reduction in card-based payments in the United States resulting from the emergence of wireless or mobile payment systems, such payment systems offer consumers an alternative method to make purchases without the need to carry a physical card by relying on cellular telephones or other technological products to make payments. If these wireless or mobile payment systems are widely adopted, it could result in a reduction of the number of physical payment cards issued to consumers. Moreover, other developing or unforeseen technology solutions and products could render CompoSecure's existing products unpopular, irrelevant or obsolete altogether.

CompoSecure's ability to develop and deliver new products and services successfully will depend on various factors, including its ability to: effectively identify and capitalize upon opportunities in new and emerging product markets; invest resources in innovation and research and development; develop and implement new processes for the manufacture or offer of new products or services; complete and introduce new products and integrated services solutions in a timely manner; license any required third-party technology or intellectual property rights; qualify for and obtain required industry certification for its products; and retain and hire talent experienced in developing new products and services. CompoSecure's business and growth also depend in part on the success of its strategic relationships with third parties, including technology partners or other technology companies whose products are integrated with CompoSecure's products. Failure of any of these technology companies to maintain, support or secure their technology platforms in general, and CompoSecure's integrations in particular, or errors or defects in such third parties' technologies or products, could adversely affect CompoSecure's relationships with customers, damage its brand and reputation and could adversely affect CompoSecure's business, financial condition and results of operations, which could adversely affect the management fees payable to us.

CompoSecure's ability to enhance its existing products and to develop and introduce innovative new products that continue to meet the needs of its customers may affect its future success. CompoSecure may experience difficulties that could delay or prevent the successful development, marketing or deployment of these products, or its newly enhanced services may not meet market demands or achieve market traction. CompoSecure's potential failure to commercialize or gain market acceptance of new products, services and technologies could adversely affect its ability to retain existing customers or attract new ones.

A disruption in CompoSecure's operations or supply chain or the performance of its suppliers, liquidity partners and/or development partners could adversely affect its business and financial results.

As a company engaged in manufacturing and distribution, CompoSecure is subject to the risks inherent in such activities, including disruptions or delays in supply chain or information technology, product quality control, as well as other external factors over which CompoSecure has no control. Some of the key components used in the manufacture of CompoSecure's products are metals, NFC-enabled and EMV chips, which CompoSecure sources from several key suppliers. CompoSecure obtains its components from multiple suppliers located in the United States and abroad, on a purchase order basis. Changes in the financial or business condition of CompoSecure's suppliers and/or development partners could subject CompoSecure to losses or adversely affect its ability to bring products to market. Additionally, the failure of CompoSecure's suppliers and/or development partners to comply with applicable standards, perform as expected and deliver goods and services in a timely manner in sufficient quantities could adversely affect CompoSecure's

customer service levels and overall business. Any increases in the costs of goods and services for CompoSecure's business may also adversely affect its profit margins, particularly if CompoSecure is unable to achieve higher price increases or otherwise increase cost or operational efficiencies to offset the higher costs.

Additionally, CompoSecure partners with third-party partners to offer certain Arculus products and services to its customers. If any of these third parties experiences operational interference or disruptions, fails to perform its obligations and meet CompoSecure's expectations, experiences a cybersecurity incident, fails to comply with applicable regulatory and/or licensing requirements which may evolve over time or is subject to regulatory enforcement proceedings concerning their operations, the operations of the Arculus solutions could be disrupted or otherwise adversely affected.

Security markets, including the market for authentication solutions, are rapidly evolving to address increasing and challenging cyber threats, including identity theft, and CompoSecure's Arculus Authenticate solutions may not achieve widespread market acceptance. In addition, there is a risk that the Arculus Authenticate solutions may not provide protection against all or a sufficient amount of the ever-changing security vulnerabilities, exploits or cyber-attacks.

Cybersecurity markets are experiencing significant and fast-paced technological change, evolving industry standards and customer needs. CompoSecure's Arculus Authenticate solutions represent a new and innovative approach to identity protection and may not achieve widespread market acceptance. Other methods, technologies, products or services may offer similar or better authentication solutions than CompoSecure's hardware authentication solutions. If CompoSecure is unable to adapt to such changes, its ability to compete effectively may be adversely impacted, which could have a negative effect on CompoSecure's business, financial condition or results of operations, which could adversely impact the management fees payable to us. In addition, there is a risk that the Arculus Authenticate solutions may not provide protection against all or a sufficient amount of the ever-changing security vulnerabilities, exploits or cyber-attacks. Internal and external factors, including possible defects in CompoSecure's products, or system failures in services provided by third parties for use with Arculus Authenticate solutions, could cause CompoSecure's products and/or services to become vulnerable to security attacks which could result in the loss of identity protection for businesses and consumers. As the Arculus Authenticate solutions include hardware tokens which are expected to be replaced from time to time as needed (similar to payment cards), CompoSecure does not intend to provide remote updates or upgrades to its hardware products. There is, therefore, a risk that CompoSecure's hardware authentication products could become ineffective against evolving cybersecurity threats. Any such developments, real or perceived, may have a negative impact on CompoSecure's reputation, which could have a negative effect upon its business, financial condition or results of operations, and which could negatively impact the management fees payable to us.

Digital asset storage systems, such as the Arculus Cold Storage Wallet, are subject to potential illegal misuse, risks related to a loss of funds due to theft of digital assets, security and cybersecurity risks, system failures and other operational issues, which could cause damage to CompoSecure's reputation and brand.

Digital assets have the potential to be used for financial crimes or other illegal activities. Even if CompoSecure complies with all laws and regulations, CompoSecure has no ability to ensure that its customers, partners or others to whom it licenses or sells its products and services comply with all laws and regulations applicable to them and their transactions. Any negative publicity CompoSecure receives regarding any allegations of unlawful uses of the Arculus Cold Storage Wallet could damage its reputation, and such damage could be material and adverse, including to aspects of CompoSecure's business that are unrelated to the Arculus platform. More generally, any negative publicity regarding unlawful uses of digital assets in the marketplace could materially reduce the demand for CompoSecure's products and solutions derived from the Arculus platform.

The Arculus Cold Storage Wallet uses an architecture where the private keys needed to access digital assets are stored outside of the internet. Through the use of the Arculus Cold Storage Wallet, CompoSecure's three-factor authentication technology may be able to increase the safety of users' assets during storage, as compared to storing such digital assets in a hot storage wallet, which is constantly connected to the internet. Further, digital assets are controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held, which wallet's public key or address is

reflected in the public network. There is no guarantee that these security measures or any that CompoSecure may develop in the future will be effective. Notwithstanding the increased security of the Arculus Cold Storage Wallet as compared to a hot storage wallet system, any loss of private keys, or hack or other compromise or failure, of the Arculus Cold Storage Wallet and its security features could materially and adversely affect CompoSecure's customers' ability to access or sell their digital assets and could cause significant reputational harm to CompoSecure's Arculus Cold Storage Wallet business, which could have a material adverse effect on CompoSecure's business, financial condition and results of operations and materially adversely affect the management fees payable to us.

Regulatory changes or actions may restrict the use of the Arculus Cold Storage Wallet or digital assets in a manner that adversely affects CompoSecure's business, prospects or operations.

Regulatory inconsistency across the digital asset environment and the regulatory classification of such digital assets and digital asset transactions

As digital assets have grown in both popularity and market size, governments around the world have reacted differently to digital assets, with certain governments deeming them illegal and others allowing their use and trade under certain circumstances. Currently, there is no uniformly applicable legal or regulatory regime governing digital assets in most jurisdictions, including the U.S. Certain adverse market events in the digital asset space over the past few years, such as the bankruptcy of FTX and its affiliates, and subsequent litigation and regulatory enforcement actions, have led to increased attention and scrutiny by regulators, legislators and market participants. Governments or regulatory authorities may impose new or additional licensing, registration or other compliance requirements on participants in the digital asset industry.

Ongoing and future regulatory actions may impact CompoSecure's ability to develop and offer products involving the use of digital assets, including the Arculus Cold Storage Wallet, or may impose additional costs, which may be material, on CompoSecure in connection with such products, and such impact may be material and adverse. For example, the Commodities Futures Trading Commission ("CFTC"), in a 2019 letter, made clear its view that digital assets generally are commodities, and as such, even spot trades in digital assets generally are subject to the CFTC's antifraud authority. Nevertheless, digital assets that are commodities also may be considered to be securities by the SEC, or may have been offered or sold in transactions that the SEC deems to be investment contracts and, therefore, securities. In the U.S., regulators, courts and lawmakers alike are grappling with these questions.

While certain SEC staff (the "Staff") have stated that bitcoin, the digital asset with the largest market capitalization, the native digital asset of the bitcoin blockchain, is not a security, there has been no definitive determination by the SEC or a court concerning whether the digital asset with the second largest market capitalization, ether, the native digital asset of the Ethereum blockchain, constitutes a security or was offered or sold pursuant to investment contracts. Additionally, the Staff has asserted that certain other digital assets are securities subject to the SEC's substantive and antifraud authority. Furthermore, derivatives on these digital assets, digital assets that represent certain derivatives, and certain leveraged, financed and margined transactions in digital assets, may be subject to substantive regulation by the CFTC and/or SEC, in addition to certain state and non-U.S. regulators.

The SEC generally has taken the view that existing U.S. federal securities laws provide sufficient clarity concerning, and notice to, market participants of when a digital asset may be offered and sold as a "security." In addition to U.S. federal statutes, including, among others, the Securities Act and the Exchange Act, and well-established legal tests, such as the *Howey* and *Reves* tests, developed through U.S. Supreme Court case law, the SEC points to SEC and Staff reports, orders, and statements as providing guidance on when a crypto asset may be offered and sold as a "security" under the U.S. federal securities laws.

While the Staff has brought multiple enforcement actions against digital asset projects, including trading platforms that the SEC alleges were operating, among other things, as unregistered exchanges, thus far, such cases have not resulted in a consistent judicial approach concerning the U.S. federal securities law treatment of digital assets, including in the secondary trading market.

Several of such recent enforcement actions are court cases that remain ongoing and, to the extent that courts have rendered opinions, for example, in the *SEC* v. *Ripple* and *SEC* v. *Terraform Labs/Do Kwon* cases,

both of which were filed and heard in the Southern District of New York, the applicable opinions, and the reasoning in support of them, have not necessarily been consistent with one another and are subject to appeal.

The SEC's 2023 settlements with issuers of non-fungible tokens ("NFTs") could signal the SEC's interest in regulating the broader NFT market, including NFT trading platforms, to the extent that the SEC determines that certain NFTs are securities.

In addition to a continued focus on digital asset issuers and centralized digital asset trading platforms, regulators and private plaintiffs alike have initiated actions against decentralized finance ("DeFi") projects, including decentralized autonomous organizations ("DAOs"), under various theories of liability. Among other things, DAOs have been characterized by certain plaintiffs as unincorporated associations or general partnerships, with some plaintiffs asserting that liability should be assigned to participants in DAO governance, while others have sought to establish joint and several liability for DAO members generally, including on negligence theories of liability. The CFTC has announced a commitment to pursue DeFi protocols operating unregistered platforms that allow U.S. persons to trade digital asset derivatives and, in 2023, settled charges against three different DeFi platforms for offering, or making available for trading, contracts based on various digital assets, including swaps and other derivatives, without registering with the CFTC.

The SEC similarly appears focused on DeFi and has brought enforcement actions against DeFi projects in 2024. In addition, in April 2024, Uniswap Labs announced that it was served with a Wells Notice, suggesting that the SEC may bring an enforcement action against it. This is notable because the Uniswap Protocol reportedly is the largest decentralized trading and automated market making protocol on the Ethereum blockchain. In addition to the SEC's proposed rule change that would expand the definition of "exchange" to potentially include certain DeFi-related activities (see discussion under the heading "*Regulatory Risks of Operating as an Unregistered Exchange or as Part of an Unregistered Exchange Mechanism" below*), in 2023, SEC staff served as lead drafter of the International Organization of Securities Commissions' proposed recommendations concerning DeFi. The terms "DeFi" and "DAO" may be interpreted broadly to encompass a wide variety of projects, services and participants, and if a regulator or private plaintiff were to claim that Arculus is deemed to have participated in or facilitated DeFi- or DAO-related activities that were in violation of applicable law, there may be significant associated risks, including the potential for joint and several liability.

Recently, the Staff has brought enforcement actions against alleged digital assets dealers and brokers. For instance, in March 2024, the SEC announced a cease-and-desist order against ShapeShift AG for allegedly acting as an unregistered dealer. Additionally, in June 2024, the SEC charged Consensys Software Inc. in the Eastern District of New York for, among other things, allegedly operating as an unregistered broker through its MetaMask Staking and MetaMask Swaps services, and the case remains ongoing. While, as discussed elsewhere in these Risk Factors, CompoSecure does not believe that its activities are of a nature that would constitute acting as an unregistered broker or dealer under U.S. law, the Staff appears to be focused on alleged brokers and dealers in the digital assets space.

In addition to the U.S. regulatory questions before the courts, multiple congressional digital asset-related bills have been published, including some with a focus on digital asset market structure. While multiple bills describe joint oversight by the SEC and CFTC over the digital assets markets and focus on market structure, at this time, it is unclear whether any of these bills ultimately will become law.

Moreover, given recent geopolitical conflict and instability, certain U.S. legislators and regulators have signaled heightened concerns about national security and the importance of "know your customer", anti-money laundering, counter financing of terrorism and sanctions checks and compliance, including concerns about potential use by certain terrorist groups of digital assets to fund their operations or evade U.S. sanctions. In addition to the introduction of potential digital asset-focused legislation in Congress aimed at addressing such concerns, regulators have focused on enforcement. In 2022 and 2023, OFAC sanctioned digital assets market participants alleged to have supported sanctioned countries and/or terrorist operations and, in 2023, the U.S. Treasury's FinCEN, pursuant seldom-used powers granted to it under Section 311 of the USA PATRIOT Act, designated an entire class of transactions, namely transactions associated with digital asset mixers, as being of primary money laundering concern. In addition, the U.S. Treasury, the Internal Revenue Service ("IRS") and other agencies also continue to propose new rules and guidance applicable to

digital assets, such as regulations on tax information reporting and withholding obligations. In June 2024, the U.S. Treasury finalized a rule requiring digital asset brokers to report additional information concerning users' digital assets sales and trades. While such rule primarily addressed reporting requirements for custodial brokers, the accompanying release stated that the U.S. Treasury and the IRS anticipate issuing additional rules later in the year establishing reporting requirements for non-custodial brokers.

In July 2024, the U.S. Supreme Court overturned established administrative law precedent through three key decisions (collectively, the "Administrative Decisions"). In so ruling, the Court abandoned the requirement that courts defer to regulatory agencies' interpretations of ambiguous statutory language; overturned regulatory agencies' ability to impose civil penalties in administrative proceedings and extended the statute of limitations within which entities may challenge agency actions. The lasting effects of such decisions may vary based on judicial districts and circuits; the SEC and other regulators, including FinCEN, may face increasing legal challenges, delays, and changes to its proposed and existing rules, regulations, policies, decisions and other guidance, including guidance that we may have relied upon. The Administrative Decisions also may lead to an increase in litigation against regulatory agencies, which may create additional legal and regulatory uncertainty and have a negative impact on our business operations.

In sum, certain U.S. federal legislators, regulators and courts, and various U.S. state and non-U.S. regulators, are interpreting, developing or enforcing, as applicable, their frameworks for regulating digital assets. If CompoSecure is found to have supported purchase and swap transactions in the Arculus Cold Storage Wallet for digital assets which are subsequently determined to be securities, it is possible that CompoSecure could be viewed as inadvertently acting as an unlicensed broker-dealer, which could subject CompoSecure to, among other things, regulatory enforcement actions, censure, monetary fines, restrictions on the conduct of the Arculus business operations and/or rescission/damages claims by customers who use the Arculus Cold Storage Wallet. CompoSecure's failure to comply with applicable laws or regulations, or the costs associated with defending any action alleging CompoSecure's noncompliance with applicable laws or regulations, could materially and adversely affect CompoSecure, its business and its results of operations, which could materially and adversely affect the management fees payable to us.

Further, a particular digital asset's status as a "security" or other regulatory investment or the treatment of digital currency for tax purposes, in any relevant jurisdiction is subject to a high degree of uncertainty and potential inconsistency across regulatory regimes, and if CompoSecure is unable to properly characterize a digital asset (or a digital asset-related transaction) or assess its tax treatment, CompoSecure may be subject to regulatory scrutiny, investigations, fines and other penalties, which may adversely affect its business, operating results and financial condition, each of which may adversely affect the management fees payable to us.

In order to determine whether a particular digital asset is a security (or whether transactions in such digital assets would constitute an offer or sale of a security) prior to supporting purchase and swap transactions on the Arculus Cold Storage Wallet in such digital asset, CompoSecure relies upon legal and regulatory analysis of legal counsel with expertise in the digital asset industry. While the methodology CompoSecure has used, and expects to continue to use, to determine if purchase and swap transactions in a digital asset will be supported in the Arculus Cold Storage Wallet, is ultimately a risk-based assessment, it does not preclude legal or regulatory action based on the presence of a security.

Because the Arculus Cold Storage Wallet may facilitate purchase and swap transactions in digital assets which could be classified as "securities," CompoSecure's business may be subject to additional risk because such digital assets are subject to heightened scrutiny, including under customer protection, anti-money laundering, counter terrorism financing and sanctions regulations. To the extent the Arculus Cold Storage Wallet supports purchase and swap transactions in any digital assets that are deemed to be securities under any of the laws of the U.S. or another jurisdiction, or in a proceeding in a court of law or otherwise, it may have adverse consequences. To counter such risks, CompoSecure may have to remove Arculus Cold Storage Wallet support for purchase and swap transactions in certain digital assets if and when such digital assets are designated as securities, which could hurt CompoSecure's business. Alternatively, CompoSecure may be required to partner with third-party registered securities broker/dealers to facilitate securities trading by Arculus customers, and CompoSecure may be unsuccessful in efforts to establish such a partnership.

In addition, CompoSecure does not presently intend to effect or otherwise facilitate trading in securities by its Arculus customers through the use of its Arculus Cold Storage Wallet if such activities would require the use of a registered broker-dealer or investment adviser. Although CompoSecure is establishing policies and procedures to ensure that its Arculus business activities do not result in CompoSecure inadvertently acting as an unregistered broker-dealer or investment adviser, there can be no assurance that such policies and procedures will be effective. If CompoSecure is found by relevant regulatory agencies to have inadvertently acted as an unregistered broker-dealer with respect to purchase and swap transactions in particular digital assets, CompoSecure would expect to immediately cease supporting purchase and swap transactions in those digital assets unless and until either the digital asset at issue is determined by the SEC or a judicial ruling to not be a security or CompoSecure partners with a third-party registered broker-dealer or investment adviser, acquire a registered broker-dealer or investment adviser or register CompoSecure as a securities broker-dealer or investment adviser, any of which CompoSecure may elect not to do or may not be successful in doing. For any period of time during which CompoSecure is found to have inadvertently acted as an unregistered broker-dealer or investment adviser, CompoSecure could be subject to, among other things, regulatory enforcement actions, monetary fines, censure, restrictions on the conduct of its Arculus business operations and/or rescission/damages claims by customers who use the Arculus Cold Storage Wallet. CompoSecure's failure to comply with applicable laws or regulations, or the costs associated with defending any action alleging its noncompliance with applicable laws or regulations, could materially and adversely affect CompoSecure, its business and its results of operations, any of which could materially and adversely affect the management fees payable to us.

CompoSecure does not believe the storage and peer-to-peer/send & receive functionality provided by the Arculus Cold Storage Wallet involves purchases, sales or other transactions effected by CompoSecure (or any party other than the sender and the recipient). Further, CompoSecure is not compensated for such user-directed activities. However, it is possible that regulators may determine that user-directed peer-to-peer transfers using the Arculus Cold Storage Wallet would require registration and compliance with broker-dealer and/or securities exchange regulations.

Regulatory Risks of Operating as an Unregistered Exchange or as Part of an Unregistered Exchange Mechanism

Any venue that brings together purchasers and sellers of digital assets which are characterized as securities in the United States is generally subject to registration as a national securities exchange, or must qualify for an exemption, such as by being operated by a registered broker-dealer as an alternative trading system (or ATS). To the extent that any venue accessed via the Arculus Cold Storage Wallet is not so registered (or appropriately exempt), CompoSecure may be unable to permit continued support for purchase and swap transactions for digital assets which become subject to characterization as securities and due to operation of an unregistered exchange or as part of an unregistered exchange mechanism, CompoSecure could be subject to significant monetary penalties, censure or other actions that may have a material and adverse effect on CompoSecure.

While CompoSecure does not believe that the Arculus Cold Storage Wallet, which facilitates purchase and swap transactions in certain digital assets, is itself a securities exchange or ATS or is part of an unregistered exchange mechanism, regulators may determine that this is the case, and CompoSecure would then be required to register as a securities exchange or qualify and register as an ATS, either of which could cause CompoSecure to discontinue its purchase and swap support for such digital assets or otherwise limit or modify Arculus Cold Storage Wallet functionality or access.

In September 2022, the SEC proposed a rule change concerning the definition of "exchange." While it is not yet clear whether or in what form such proposed rule change may be adopted, it is possible that a change to the definition of "exchange" could result in regulators determining that the Arculus Cold Storage Wallet is functioning as a securities exchange or ATS or is part of an unregistered exchange mechanism, in which case, the potential registration requirements, or cessation, limitation or other modifications contemplated above could become necessary or advisable. Any such discontinuation, limitation or other modification could negatively impact CompoSecure's business, operating results and financial condition, which could negatively impact the management fees payable to us.

CompoSecure's inability to safeguard against misappropriation or infringement of its intellectual property may adversely affect its business.

CompoSecure's patents, trade secrets and other intellectual property rights are critical to its business. CompoSecure's ability to safeguard its proprietary product designs and production processes against misappropriation by third parties is necessary to maintain CompoSecure's competitive position within its industry. Therefore, CompoSecure routinely enters into confidentiality agreements with its employees, consultants and strategic partners to limit access to, and distribution of, CompoSecure's proprietary information in an effort to safeguard its proprietary rights and trade secrets. However, such efforts may not adequately protect CompoSecure's intellectual property against infringement and misappropriation by unauthorized third parties. Such third parties could interfere with CompoSecure's relationships with customers if they are successful in attempts to misappropriate CompoSecure's proprietary information or copy its products designs, or portions thereof. Additionally, because some of CompoSecure's customers purchase products on a purchase order basis and not pursuant to a detailed written contract, where CompoSecure does not have the benefit of written protections with respect to certain intellectual property terms beyond standard terms and conditions, CompoSecure may be exposed to potential infringement of its intellectual property rights. Enforcing its intellectual property rights against unauthorized use may be expensive and cause CompoSecure to incur significant costs, all of which could adversely affect CompoSecure's business, financial condition and results of operations. There is no assurance that CompoSecure's existing or future patents will not be challenged, invalidated or otherwise circumvented. The patents and intellectual property rights CompoSecure obtains, including its intellectual property rights which are formally registered in the United States and abroad, may be insufficient to provide meaningful protection or commercial advantage. Moreover, CompoSecure may have difficulty obtaining additional patents and other intellectual property protections in the future. Effective patent, trademark, service mark, copyright and trade secret protection may not be available in every country in which CompoSecure provides its products or services. Any of the foregoing factors may have a material adverse effect on CompoSecure's business, which may materially adversely affect the management fees payable to us.

CompoSecure may incur substantial costs because of litigation or other proceedings relating to patents and other intellectual property rights.

Companies in CompoSecure's industry have commenced litigation to properly protect their intellectual property rights. Any proceedings or litigation that CompoSecure initiates to enforce its intellectual property rights, or any intellectual property litigation asserted against CompoSecure, could be costly and divert the attention of managerial and other personnel and further, could result in an adverse judgment or other determination that could preclude CompoSecure from enforcing its intellectual property rights or offering some of its products to its customers. Royalty or other payments arising in settlements could negatively impact CompoSecure's profit margins and financial results. If CompoSecure is unable to successfully defend against claims that it has infringed the intellectual property rights of others, CompoSecure may need to indemnify some customers and strategic partners related to allegations that its products infringe the intellectual property rights of others. Additionally, some of CompoSecure's customers, suppliers and licensors may not be obligated to indemnify CompoSecure for the full costs and expenses of defending against infringement claims. CompoSecure may also be required to defend against alleged infringement of the intellectual property rights of third parties because its products contain technologies properly sourced from suppliers or customers. CompoSecure may be unable to determine in a timely manner or at all whether such intellectual property use infringes the rights of third parties. Any such litigation or other proceedings could adversely affect CompoSecure's business, financial condition and results of operations and could adversely affect the management fees payable to us.

CompoSecure is dependent on certain distribution partners for distribution of its products and services. A loss of distribution partners could adversely affect CompoSecure's business.

A small number of distribution partners currently deliver a significant percentage of CompoSecure's products and services to customers. CompoSecure intends to continue devoting resources in support of its distribution partners, but there are no guarantees that these relationships will remain in place over the short or long term. In addition, CompoSecure cannot be assured that any of these distribution partners will continue to generate current levels of customer demand. A loss of any of these distribution partners could

have a material adverse effect on CompoSecure's business, financial condition and results of operations, which could materially adversely affect the management fees payable to us.

CompoSecure faces competition that may result in a loss of its market share and/or a decline in profitability.

CompoSecure's industry is highly competitive and CompoSecure expects it to remain highly competitive as competitors cut production costs, new product markets develop and other competitors attempt to enter the markets in which CompoSecure operates or new markets in which it may enter. Some of CompoSecure's existing competitors have more sales, greater marketing, more specialized manufacturing and highly efficient distribution processes. CompoSecure may also face competition from new competitors that may enter its industry or specific product market. Such current or new competitors may develop technologies, processes or products that are better suited to succeed in the marketplace as a result of enhanced features and functionality at lower costs, particularly as technological sophistication of such competitors and the size of the market increase. These factors could lower CompoSecure's average selling prices, resulting in reduced gross margins. If CompoSecure cannot sufficiently reduce its production costs or develop innovative technologies or products, CompoSecure may not be able to compete effectively in its product markets and maintain market share, which could adversely affect its business, financial condition and results of operations and adversely affect the management fees payable to us.

CompoSecure Holdings' long-lived assets represent a significant portion of its total assets, and their full value may never be realized.

CompoSecure Holdings' long-lived assets recorded as of September 30, 2024 were $29.0 million, representing approximately 7% of its total assets.

CompoSecure Holdings reviews other long-lived assets for impairment on an as-needed basis and when circumstances, alterations or other events indicate that an asset group or carrying amount of an asset may not be recoverable. Examples of these other long-lived assets include intangible but identifiable assets and plant, equipment and leasehold improvements. Such write-downs of long-lived assets may result from a drop in future expected cash flows and worsening performance, among other factors. If CompoSecure Holdings must write-down long-lived assets, it records the appropriate charge, which may adversely affect its results of operations and may adversely affect the management fees payable to us.

CompoSecure's failure to operate its business in compliance with the security standards of the payment card industry or other industry standards applicable to its customers, such as payment networks certification standards, could adversely affect its business.

Many of CompoSecure's customers issue their cards on the payment networks that are subject to the security standards of the payment card industry or other standards and criteria relating to product specifications and supplier facility physical and logical security that CompoSecure must satisfy in order to be eligible to supply products and services to such customers. CompoSecure's contractual arrangements with its customers may be terminated if CompoSecure fails to comply with these standards and criteria.

CompoSecure makes significant investments to its facilities and technology in order to meet these industry standards, including investments required to satisfy changes adopted from time to time in industry standards. CompoSecure may become ineligible to provide products and services to its customers if CompoSecure is unable to continue to meet these standards. Many of the products CompoSecure produces and services CompoSecure provides are subject to certification with one or more of the payment networks. CompoSecure may lose the ability to produce cards for or provide services to banks issuing credit or debit cards on the payment networks if CompoSecure were to lose its certification from one or more of the payment networks or payment card industry certification for one or more of CompoSecure's facilities. If CompoSecure is not able to produce cards for or provide services to any or all of the issuers issuing debit or credit cards on such payment networks, CompoSecure could lose a substantial number of its customers, which could have a material adverse effect on its business, financial condition and results of operations, and which could have a material adverse effect on the management fees payable to us.

As consumers and businesses spend less, CompoSecure's business, operation outcomes and financial state may be adversely affected.

Companies that rely heavily on consumer and business spending are exposed to changing economic conditions and are impacted by changes in consumer confidence, consumer spending, discretionary income levels or consumer purchasing habits. A continuous decline in general economic conditions, particularly in the United States, or further increases in interest rates, may reduce demand for CompoSecure's products, which could negatively impact its sales. An economic downturn could cause credit card issuers to switch card programs to plastic cards, seek lower-priced metal hybrid card suppliers, reduce credit limits, close accounts and become more selective with respect to whom they issue credit cards. Such conditions and potential outcomes could adversely affect CompoSecure's financial performance, business and results of operations, each of which could adversely affect the management fees payable to us.

Product liability and warranty claims and their associated costs may adversely affect CompoSecure's business.

The nature of CompoSecure's products is highly complex. As a result, CompoSecure cannot guarantee that defects will not occur from time to time. CompoSecure may incur extensive costs as a result of these defects and any resulting claims. For example, product recalls, writing down defective inventory, replacing defective items, lost sales or profits, and third-party claims can all give rise to costs incurred by CompoSecure. CompoSecure may also face liability for judgments and/or damages in connection with product liability and warranty claims. Damage to CompoSecure's reputation could occur if defective products are sold into the marketplace, which could result in further lost sales and profits. To the extent that CompoSecure relies on purchase orders to govern its commercial relationships with its customers, CompoSecure may not have specifically negotiated the allocation of risk for product liability obligations. Instead, CompoSecure typically relies on warranties and limitations of liability included in its standard forms of order acceptance, invoice and other contract documents with its customers. Similarly, CompoSecure obtains products and services from suppliers, some of which also use purchase order documents which may include limitations on product liability obligations with respect to their products and services. As a result, CompoSecure may bear all or a significant portion of any product liability obligations rather than transferring this risk to its customers. CompoSecure's reputation would be harmed and there could be a material adverse effect on its business, financial condition and results of operations if such risks materialize, each of which could have a material adverse effect on the management fees payable to us.

If tariffs and other restrictions on imported goods are imposed or increased by the U.S. government, CompoSecure's revenue and operations may be materially and adversely affected.

A portion of the raw materials used by CompoSecure to manufacture its products are obtained, directly or indirectly, from companies located outside of the United States. Recently, tariffs have been imposed on imports from certain countries outside of the United States. These tariffs have increased the cost of a portion of CompoSecure's imported raw material purchases, but the cost increases have not to date been material to CompoSecure's results of operations. Further trade restrictions and/or tariffs may be forthcoming, and may be dependent on evolving domestic and international political developments. Certain international trade agreements may also be at risk. Tariffs and similar trade restrictions may stagnate the general economy, impact relationships with and access to suppliers and/or materially and adversely affect CompoSecure's business, financial condition and results of operations. These and future tariffs, as well as any other global trade or supply chain developments, bring with them uncertainty. CompoSecure cannot predict future changes to imports covered by tariffs or which countries will be included or excluded from such tariffs. The reactions of other countries and resulting actions on the United States and similarly situated companies could negatively impact CompoSecure's business, financial condition and results of operations. The realization of each of these risks could negatively impact the management fees payable to us.

CompoSecure's international sales subject CompoSecure to additional risks that can adversely affect its business, operating results and financial condition.

During each of 2023 and 2022, CompoSecure derived 18% and 22%, respectively, of its net sales from customers located outside the U.S. CompoSecure's ability to convince customers to expand their use of CompoSecure's products or renew their agreements with CompoSecure are directly correlated to

CompoSecure's direct engagement with such customers. To the extent that CompoSecure is unable to engage with non-U.S. customers effectively, it may be unable to grow sales to international customers to the same degree it has experienced in the past.

CompoSecure's international operations subject it to a variety of risks and challenges, including:

- fluctuations in currency exchange rates and related effect on its operating results;
- general economic and geopolitical conditions, including wars, in each country or region;
- the effects of systemic supply chain disruptions, including those resulting from a public health crisis;
- economic uncertainty around the world; and
- compliance with U.S. laws and regulations imposed by other countries on foreign operations, including the Foreign Corrupt Practices Act, the U.K. Bribery Act, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory or contractual limitations on its ability to sell its products in certain foreign markets, and the risks and costs of non-compliance.

For example, in response to the conflict between Russia and Ukraine, the United States has imposed and may further impose, and other countries may additionally impose, broad sanctions or other restrictive actions against governmental and other entities in Russia. Additionally, further escalation of geopolitical tensions, such as the ongoing conflict in Israel, Gaza and the surrounding areas, could have a broader impact that extends into other markets where CompoSecure does business. Any of these risks could adversely affect CompoSecure's international sales, reduce its international revenues or increase its operating costs, adversely affecting its business, financial condition and operating results, and each of which could adversely affect the management fees payable to us.

CompoSecure relies on licensing arrangements in production and other fields, and actions taken by any of its licensing partners could have a material adverse effect on its business.

Some of CompoSecure's products integrate third-party technologies that CompoSecure licenses or otherwise obtains the right to use. CompoSecure has entered into licensing agreements that provide access to technology owned by third parties. The terms of CompoSecure's licensing arrangements vary. These different terms could have a negative impact on CompoSecure's performance to the extent new or existing licensees demand a greater proportion of royalty revenues under CompoSecure's licensing arrangements. Additionally, such third parties may not continue to renew their licenses with CompoSecure on similar terms or at all, which could negatively impact CompoSecure's net sales. If CompoSecure is unable to continue to successfully renew these agreements, it may lose its access to certain technologies relied upon to develop certain of its products. The loss of access to those technologies, if not replaced with internally developed or other licensed technology, could have a material adverse effect on CompoSecure's business and results of operations and could have a material adverse effect on the management fees payable to us.

The adoption of new tax legislation could affect CompoSecure's financial performance.

CompoSecure is subject to income and other taxes in the United States. CompoSecure's effective tax rate in the future could be adversely affected by changes in tax laws. More generally, it is possible that U.S. federal income or other tax laws or the interpretation of tax laws will change. For example, the Biden Administration has proposed an increase in the U.S. corporate income tax rate and a minimum corporate tax based on book income. It is difficult to predict whether and when there will be tax law changes having a material adverse effect on CompoSecure's business, financial condition, results of operations and cash flows, which could have a material adverse effect on the management fees payable to us.

Risks Related to Other Managed Companies

Our managed companies may be subject to a number of inherent risks.

We expect that our results will be highly dependent on our ability to negotiate satisfactory management agreements with, and generate management fees from, additional companies that are diversified by sector,

industry and geography. These managed companies and their respective businesses will involve a number of significant risks, including that the companies we seek to enter into management agreements with may be:

- involved in heavily regulated industries, which could require compliance with more complex regulatory and legal regimes, and involve heightened risk of unintentional non-compliance with such regimes, each of which could impose additional costs on the managed company and us and divert our management's time and effort;
- subject to commodity price risk and energy industry market dislocation, meaning that changes in prevailing market prices of commodities such as oil, gas, goal, electricity and concrete;
- exposed to interest rate risk, meaning that inflation, deflation, slow or stagnant economic growth or recession, unemployment levels, money supply, governmental monetary policies, and instability in domestic and international financial market could result in changes in prevailing market interest rates;
- emerging or less established with short or no operating histories, fewer products or services than more established companies, fewer customers or clients, higher levels of competition and significant reliance on new technologies, which heightens the consequences of the failure of such products or services or loss of such customers or clients;
- highly leveraged and subject to restrictive financial and operating covenants which may impair these companies' ability to respond to changing business and economic conditions and finance future operations and capital needs, resulting in increased expenses and lower income;
- heavily dependent on patents, trademarks and other intellectual property, which could require compliance with intellectual property legal regimes and result in intellectual property infringement and legal disputes that are costly to resolve; and
- involved in the technology industry, which is subject to risks of technological disruption, increased competition, changing consumer preferences, short product life cycles and rapidly changing market conditions, which could result in increased costs and downward pressure on pricing.

Any of the foregoing could have material adverse impacts on our management fees and negatively impact our financial condition and results of operations.

Economic recessions or downturns could impair our managed companies and harm our operating results.

The current macroeconomic environment is characterized by labor shortages, high interest rates, persistent inflation, foreign currency exchange volatility, volatility in global capital markets and growing recession risk. We expect that the risks associated with our and our future managed companies' businesses will be more severe during periods of economic slowdown or recession. Such managed companies may be susceptible to economic slowdowns or recessions. Economic slowdowns or recessions could lead to worse than expected performance at our managed companies, which could result in decreases in the performance-based fees we expect to be paid pursuant to our management agreements. These events could harm our operating results.

Changes in the laws or regulations governing the businesses of our managed companies and any failure by us or our managed companies to comply with these laws or regulations, could negatively affect the profitability of our operations or of our managed companies.

Any future managed companies will be subject to changing rules and regulations of federal and state governments, as well as the stock exchanges on which their equity securities are listed. These entities, including the Public Company Accounting Oversight Board, the SEC, the New York Stock Exchange and the Nasdaq Stock Market LLC have issued a significant number of new and increasingly complex requirements and regulations over the course of the last several years and continue to develop additional regulations. In particular, changes in the laws or regulations or the interpretations of the laws and regulations that apply to future managed companies could significantly affect their operations and their cost of doing business. Our managed companies will also be subject to federal, state and local laws and regulations and will be subject to judicial and administrative decisions that affect their operations. If these laws, regulations or decisions

change, our managed companies may have to incur significant expenses in order to comply, or they might have to restrict their respective operations, in each case which may impact their financial condition and results of operations, which could adversely impact the management fees that we expect to receive in the future. In addition, if our managed companies do not comply with applicable laws, regulations and decisions, they or we could become subject to civil fines and criminal penalties, any of which could have a material adverse effect upon our business, financial condition and results of operations.

Our managed companies may experience cyber security incidents and are subject to cyber security risks.

We expect that the respective businesses of any future additional managed companies will rely on secure information technology systems for data processing, storage and reporting. The information technology systems of these companies may in the past have been, and may in the future be subject to, cyber-attacks, even if such companies design, implement and maintain effective security and controls. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (*e.g.*, through "hacking," malicious software coding, social engineering or "phishing" attempts) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (*i.e.*, efforts to make network services unavailable to intended users). Employees of these companies may have been and may continue to be the target of fraudulent calls, emails and other forms of activities. Network, system, application and data breaches could result in operational disruptions or information misappropriation, which could have a material adverse effect on our managed companies' respective businesses, results of operations and financial conditions.

Cyber security failures or breaches by other service providers (including, but not limited to, accountants, custodians, transfer agents and administrators) also have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, impediments to trading, the inability of stockholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs or additional compliance costs. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. We cannot control the cyber security plans and systems put in place by our service providers and may not fully control the implementation and oversight of the security plans and systems of our managed companies. Even where such plans and systems exist, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Our managed companies could be negatively impacted as a result. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. In addition, cyber-security has become a top priority for regulators around the world, and some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. If our managed companies fail to comply with the relevant laws and regulations, they could suffer financial losses, a disruption of operations in their respective businesses, liability to investors, regulatory intervention or reputational damage, each of which could adversely impact our management fees.

We may become involved in litigation, arbitration and governmental proceedings, including those stemming from third-party conduct beyond our control.

Our managed companies are and in the future may be, and we may in the future be, involved in or threatened with legal, arbitration and governmental proceedings or investigations from time to time in the ordinary course of business, including disputes with employees, competitors, customers, suppliers, competition authorities, regulators and other authorities, purported whistle-blowers or regulatory agencies concerning allegations of, among other things, breaches of contract, intellectual property infringement, logistics or manufacturing related topics, quality regulations, EH&S or employment issues, termination of business relationships or alleged or suspected violations of applicable laws in various jurisdictions. The outcome of potential future legal, arbitration and governmental proceedings is difficult to predict, and excessive verdicts do occur. If such proceedings are determined adversely to us or to our managed companies, we may be required to change our business practices or we may incur fines, penalties or monetary losses, some of which may be significant or could disrupt the operation of our business, and the financial performance of our managed companies may be adversely impacted, which may reduce our management fees. Exposure to litigation or other government action, whether directed at us, our customers, suppliers or managed companies,

or our or their respective business partners, could also result in the distraction of management resources and adversely affect our reputation, which could have a material adverse effect on our business results, cash flows, financial condition or prospects. Additionally, we and our managed companies may be subject to investigations and extensive regulation by government agencies around the world. As a result, we expect that we may have interactions with government agencies on an ongoing basis. Criminal charges and substantial fines or civil penalties, as well as limitations on our ability to conduct business in applicable jurisdictions, could result from government investigations.

Risks Related to Ownership of Our Common Stock

Investing in our securities involves a high degree of risk and is highly speculative.

An investment in our securities may not be suitable for someone with a low risk tolerance. The market price and liquidity of the market for our securities may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- volatility in the market price and trading volume of securities of companies in our sector or companies in the sectors in which our managed companies operate, which are not necessarily related to the operating performance of these companies;
- the inclusion or exclusion of our common stock from certain indices;
- changes in law, regulatory policies or tax guidelines or interpretations thereof;
- changes in earnings or variations in operating results;
- changes in the value of and the performance of our managed companies;
- departure of our key personnel;
- operating performance of companies comparable to us;
- short-selling pressure with respect to shares of our common stock;
- uncertainty surrounding the strength of the U.S. economic recovery;
- uncertainty between the U.S. and other countries with respect to trade policies, treaties and tariffs; and
- general economic trends and other external factors.

We are a "controlled company" within the meaning of the Nasdaq listing rules and, as a result, qualify for and intend to rely on certain exemptions from certain corporate governance requirements.

Because Resolute Compo Holdings holds a majority of our common stock and accordingly has the ability to control us, including the ability to control any action requiring the general approval of our stockholders, including the election of our Board, the adoption of amendments to our certificate of incorporation and bylaws and the approval of any merger or sale of substantially all of our assets, we are a "controlled company" under the Sarbanes-Oxley Act and the Nasdaq listing rules. A controlled company does not need its board of directors to have a majority of independent directors or to form an independent compensation or nominating and corporate governance committee. We currently expect our Board to elect to comply with the requirement for a majority of independent directors; however, our Board may from time to time elect to rely on the exemption from such requirement. As a controlled company, we will remain subject to rules of the Sarbanes-Oxley Act and the Nasdaq listing rules that require us to have an audit committee composed entirely of independent directors.

If at any time we cease to be a controlled company, we will take all action necessary to comply with the Sarbanes-Oxley Act and the Nasdaq listing rules, including ensuring that our Board has a majority of independent directors and ensuring that we have a compensation committee and nominating and governance committee each composed entirely of independent directors, subject to a permitted "phase-in" period.

Certain provisions in our certificate of incorporation, bylaws and Delaware law may discourage takeovers and limit the power of our stockholders.

Our certificate of incorporation and bylaws, each of which will be in effect upon the completion of the Spin-Off, contain provisions that could depress the trading price of our common stock by acting to discourage, delay or prevent a change of control of our Company or changes in our management that our stockholders may deem advantageous. In particular, our certificate of incorporation and bylaws:

- establish a classified board of directors so that not all members are elected at one time, which could delay the ability of stockholders to change the membership of a majority of our Board;
- permit our Board to establish the number of directors and fill any vacancies (including vacancies resulting from an expansion in the size of our board of directors);
- establish limitations on the removal of directors;
- authorize the issuance of "blank check" preferred stock that our Board could use to implement a stockholder rights plan;
- provide that our Board is expressly authorized to make, alter or repeal our bylaws;
- restrict the forum for certain litigation against us to Delaware;
- provide that stockholders may not act by written consent following the time when Resolute Compo Holdings and Resolute ManCo Holdings LLC (together with their respective affiliates and successors and assigns (other than the Company and its subsidiaries), collectively, "Investor") cease to beneficially own at least 40% of the shares of our outstanding common stock, which time we refer to as the "Trigger Date," which would require stockholder action to be taken at an annual or special meeting of our stockholders;
- prohibit stockholders from calling special meetings following the Trigger Date, which would delay the ability of our stockholders to force consideration of a proposal or to take action, including with respect to the removal of directors; and
- establish advance notice requirements for nominations for election to our Board or for proposing matters that can be acted upon by stockholders at annual stockholder meetings, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

Section 203 of the Delaware General Corporation Law, or the DGCL, prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder, generally a person, individually or together with any other interested stockholder, who owns or within the last three years has owned 15% of our voting stock, unless the business combination is approved in a prescribed manner. We have elected to opt out of Section 203 of the DGCL. However, our certificate of incorporation will contain a provision that is of similar effect, except that it will exempt from its scope Investor, any direct or indirect transferee of Investor, any of their respective affiliates, any person managed by any member of Investor pursuant a management agreement or similar agreement, any successor of any of the foregoing persons or any "group", or any member of any such "group", to which such persons are a party under Rule 13d-5 of the Exchange Act, as described under "Description of Our Capital Stock — Anti-Takeover Provisions."

Any provision of our certificate of incorporation, our bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of common stock and could also affect the price that some investors are willing to pay for our common stock. See "Description of Our Capital Stock — Anti-Takeover Provisions."

Our certificate of incorporation will provide that certain courts in the State of Delaware or the federal district courts of the United States will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery located within the State of Delaware will be the sole and exclusive

forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee, agent or stockholder to us or our stockholders, any action asserting a claim arising pursuant to the DGCL, our certificate of incorporation or our bylaws, or any action asserting a claim governed by the internal affairs doctrine. However, if the Court of Chancery within the State of Delaware lacks jurisdiction over such action, the action may be brought in another court of the State of Delaware or, if no court of the State of Delaware has jurisdiction, then in the United States District Court for the District of Delaware. Additionally, our certificate of incorporation will state that the foregoing provision will not apply to claims arising under the Securities Act. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. The exclusive forum provisions will be applicable to the fullest extent permitted by applicable law, subject to certain exceptions. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provisions will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. There is, however, uncertainty as to whether a court would enforce the exclusive forum provisions, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for state and federal courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and, to the fullest extent permitted by law, to have consented to the provisions of our certificate of incorporation described above. The choice of forum provision may result in increased costs for investors to bring a claim. Further, the choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, other employees or stockholders, which may discourage such lawsuits against us and our directors, officers, other employees or stockholders. However, the enforceability of similar forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings. If a court were to find the exclusive choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions.

Our certificate of incorporation contains a provision renouncing our interest and expectancy in certain corporate opportunities that may prevent us from receiving the benefit of certain corporate opportunities.

Under our certificate of incorporation, neither Investor nor any of its affiliates, officers, directors, employees, agents, stockholders, members or partners will have any duty to refrain from engaging, directly or indirectly, in the same business activities, similar business activities or lines of business in which we or our managed companies operate. In addition, our certificate of incorporation provides that, to the fullest extent permitted by law, no officer or director of ours who is also an officer, director, employee, agent, stockholder, member, partner or affiliate of Investor or their respective affiliates will be liable to us or our stockholders for breach of any fiduciary duty by reason of the fact that any such individual directs a corporate opportunity to Investor or their respective affiliates, instead of to us, or does not communicate information regarding a corporate opportunity to us that the officer, director, employee, agent, stockholder, member, partner or affiliate has directed to Investor or their respective affiliates. For example, certain directors of our Company who also serve as an officer, director, employee, agent, stockholder, member, partner or affiliate of Investor or its affiliates may pursue certain acquisitions or other opportunities that may be complementary to our business or the businesses of CompoSecure Holdings or our other managed companies from time to time and, as a result, such acquisition or other opportunities may not be available to us. These potential conflicts of interest could have a material adverse effect on our business, financial condition, results of operations or prospects if attractive corporate opportunities are allocated by Investor to itself or its affiliates instead of to us. A description of our obligations related to corporate opportunities under our certificate of incorporation are more fully described in "Description of Our Capital Stock — Corporate Opportunity."

We will be an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make shares of our common stock less attractive to investors.

We will be an "emerging growth company," as defined in the JOBS Act, and we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We plan to take advantage of some or all of the reduced regulatory and reporting requirements that will be available to us as long as we qualify as an emerging growth company. Additionally, the JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

We could remain an "emerging growth company" for up to five years from the date of the consummation of the Spin-Off, or until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenues exceed $1.235 billion; (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, which would occur if the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the last business day of our most recently completed second fiscal quarter; or (iii) the date on which we have issued more than $1.0 billion in non-convertible debt during the preceding three-year period. We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. We may take advantage of these reporting exemptions until we are no longer an emerging growth company.

We are a smaller reporting company, and the reduced reporting requirements applicable to smaller reporting companies may make our common stock less attractive to investors.

We are a "smaller reporting company" as defined in Rule 12b-2 under the Exchange Act. For as long as we continue to be a smaller reporting company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not smaller reporting companies, including reduced financial statement and other financial information disclosure and reduced disclosure obligations regarding executive compensation in our annual and periodic reports and proxy statements. We will remain a smaller reporting company as long as either (i) the market value of our common stock held by non-affiliates is less than $250 million or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our common stock held by non-affiliates is less than $700 million. Our public float is measured as of the last business day of our most recently completed second fiscal quarter, and annual revenues are as of the most recently completed fiscal year for which audited financial statements are available. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our share price may be more volatile than that of an otherwise comparable company that does not avail itself of the same or similar exemptions.

Following the Spin-Off, we could incur substantial additional costs and experience temporary business interruptions, such costs may increase when we cease to be an emerging growth company or if we cease to be a smaller reporting company, and we may not be adequately prepared to meet the requirements of an independent, publicly traded company on a timely or cost-effective basis.

In connection with the Spin-Off, we have been implementing information technology and other infrastructure to support certain of our business functions necessary to perform our management functions

and those of CompoSecure Holdings and other potential managed companies, including accounting and financial reporting, human resources and personnel, legal and compliance and communications. We currently anticipate incurring $12 million to $15 million of costs to build out this infrastructure and hire personnel. We may incur substantially higher costs than currently anticipated. If we are unable to transition effectively, we may incur temporary interruptions in business operations. Any delay in implementing, or operational interruptions suffered while implementing, our new information technology infrastructure could disrupt our business and have a material adverse effect on our results of operations.

In addition, in connection with the Spin-Off, we will be directly subject to reporting and other obligations under the Exchange Act. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. Under the Sarbanes-Oxley Act, we will be required to maintain effective disclosure controls and procedures and to conduct annual management assessments of the effectiveness of our internal control over financial reporting, and once we cease to be an emerging growth company and a smaller reporting company, a report by our independent registered public accounting firm on the effectiveness of internal control over financial reporting. To comply with these requirements, we may need to upgrade our systems and those of CompoSecure Holdings and our other managed companies, implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff. These reporting and other obligations may place significant demands on management, administrative and operational resources, including accounting systems and resources. If we are unable to upgrade such financial and management controls, reporting systems, information technology systems and procedures in a timely and effective fashion, our ability to comply with financial reporting requirements and other rules that apply to reporting companies under the Exchange Act could be impaired, and we may be unable to conclude that our internal control over financial reporting is effective. If we are not able to comply with the requirements of the Sarbanes-Oxley Act in a timely manner, or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of shares of our common stock could decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources.

Moreover, we cannot be certain that these measures will ensure that we implement and maintain adequate controls over our financial processes and reporting in the future. Even if we were to conclude, and our auditors were to concur, that our internal control over financial reporting provided reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP, because of its inherent limitations, internal control over financial reporting might not prevent or detect fraud or misstatements. This, in turn, could have an adverse impact on trading prices for shares of our common stock and could adversely affect our ability to access the capital markets.

Risks Related to the Spin-Off

No market for our common stock currently exists and an active trading market may not develop or be sustained after the Spin-Off. Following the Spin-Off, our stock price may fluctuate significantly, and there can be no assurance that the combined trading prices of our and CompoSecure common stock would exceed the trading price of CompoSecure common stock absent the Spin-Off.

There is currently no public market for our common stock. In connection with the Spin-Off, we have applied to list our common stock on The Nasdaq Stock Market LLC. We anticipate that before the Distribution Date, trading of shares of our common stock will begin on a "when-issued" basis and this trading will continue through the Distribution Date. However, an active trading market for our common stock may not develop as a result of the Spin-Off or may not be sustained in the future. The lack of an active market may make it more difficult for stockholders to sell our shares and could lead to our share price being depressed or volatile.

We cannot predict the prices at which our common stock may trade after the Spin-Off or whether the combined trading prices of a share of our common stock and a share of CompoSecure common stock will be less than, equal to or greater than the trading price of a share of CompoSecure common stock prior to the Spin-Off. The market price of our common stock may fluctuate widely depending on many factors, some

of which may be beyond our control. Additionally, our stockholders may seek to sell shares of our common stock to cover anticipated tax liabilities in connection with the Spin-Off, which could lead further to our share price being depressed or volatile. See "The Spin-Off will be taxable and holders of CompoSecure common stock will recognize taxable income, and the resulting tax liability to holders of CompoSecure common stock may exceed the amount of cash received in the Spin-Off in lieu of fractional shares."

Furthermore, our business profile and market capitalization may not fit the investment objectives of some CompoSecure stockholders and, as a result, these CompoSecure stockholders may sell their shares of our common stock after the Spin-Off. Low trading volume for our stock, which may occur if an active trading market does not develop, among other reasons, would amplify the effect of the above factors on our stock price volatility. Should the market price of our shares drop significantly, stockholders may institute securities class action lawsuits against us. A lawsuit against us could cause us to incur substantial costs and could divert the time and attention of our management and other resources.

The Spin-Off will be taxable and holders of CompoSecure common stock will recognize taxable income, and the resulting tax liability to holders of CompoSecure common stock may exceed the amount of cash received in the Spin-Off in lieu of fractional shares.

The Spin-Off will be treated as a taxable distribution with respect to CompoSecure common stock for U.S. federal income tax purposes. Accordingly, each U.S. holder who receives our common stock in the Spin-Off will generally be treated as receiving a distribution in an amount equal to the fair market value of our common stock received, which will generally result in: (i) a taxable dividend to the U.S. holder to the extent of that U.S. holder's pro rata share of CompoSecure's current or accumulated earnings and profits; (ii) a reduction in the U.S. holder's basis (but not below zero) in CompoSecure common stock to the extent the amount received exceeds the stockholder's share of CompoSecure's earnings and profits; and (iii) taxable gain from the exchange of CompoSecure common stock to the extent the amount received exceeds the sum of the U.S. holder's share of CompoSecure's earnings and profits and the U.S. holder's basis in its CompoSecure common stock. A Non-U.S. holder generally will be subject to U.S. federal income tax withholding at a rate of 30% (or a lower rate under an applicable income tax treaty) with respect to the portion of the Spin-Off that is treated as a taxable dividend unless certain exceptions apply. Since the determination of the portion of the Spin-Off that is treated as a taxable dividend will not be completed until after the closing of the current taxable year, it is possible that a broker, dealer, bank or other custodian that holds CompoSecure common stock beneficially owned by a Non-U.S. holder may withhold at a rate of 30% (or a lower rate under an applicable income tax treaty) on the entire amount of the distribution, even if it is later determined that only a portion of the distribution was a taxable dividend. For more information, see the discussion below under "Material U.S. Federal Income Tax Consequences."

Substantial sales of our common stock may occur in connection with the Spin-Off, or in the future, which could cause our stock price to decline or be volatile.

CompoSecure stockholders other than our affiliates, including Resolute Compo Holdings, that receive shares of our common stock in the Spin-Off may sell those shares immediately in the public market. It is likely that some CompoSecure stockholders will sell their shares of our common stock received in the Spin-Off if, for reasons such as our business profile or market capitalization as an independent company, we do not fit their investment objectives, to cover anticipated taxes in connection with the Spin-Off or, in the case of index funds, if we are not a participant in the index in which they are investing. The sales of significant amounts of our common stock or the perception in the market that such sales might occur may decrease the market price of our common stock.

The rights associated with our common stock will differ from the rights associated with CompoSecure common stock.

Upon completion of the Spin-Off, the rights of CompoSecure stockholders who become our stockholders will be governed by our certificate of incorporation, our bylaws and Delaware law. The rights associated with the CompoSecure common stock are different from the rights associated with our common stock. Material differences between the rights of stockholders of CompoSecure and the rights of our

stockholders include differences with respect to, among other things, anti-takeover measures. See "Description of Our Capital Stock."

We may be unable to achieve some or all of the benefits that we expect to achieve from the Spin-Off.

We may be unable to achieve the full strategic and financial benefits expected to result from the Spin-Off, or such benefits may be delayed or not occur at all, for a variety of reasons, including that the completion of the Spin-Off and compliance with the requirements of being an independent, publicly traded company will require significant amounts of our management's time and effort, which may divert management's attention from managing the affairs of our managed companies and operating and growing our business. We believe that operating as an independent, publicly trading company, will enable, among other things, the necessary hiring of a team of analysts and operators required to accelerate organic growth, enhance margins and execute acquisitions in the most value-accretive way for stockholders, provide the management expertise required to diversify CompoSecure's customer and end-market concentration through acquisitions, unlock the standalone value of Resolute Holdings' management platform and its contractually provided fee stream, align the interests of all stockholders through pro rata ownership in both CompoSecure and Resolute Holdings, and allow investors to better evaluate the growth and profitability potential of Resolute Holdings as a management company separate from CompoSecure as a diversified operating business. If we fail to achieve some or all of the benefits that we expect to achieve as an independent company, or do not achieve them in the time we expect, our business, financial condition, cash flows and results of operations could be adversely affected.

We or CompoSecure may fail to perform under various transaction agreements that will be executed as part of the separation.

In connection with the separation, and prior to the Spin-Off, we and CompoSecure, including CompoSecure Holdings, will enter into various transaction agreements related to the Spin-Off. We will rely on CompoSecure or CompoSecure Holdings, as applicable, to satisfy its respective performance obligations under these agreements. If we, CompoSecure or CompoSecure Holdings are unable to satisfy our or its respective obligations under these agreements, including indemnification obligations, our business, results of operations, cash flows and financial condition could be adversely affected. See "Certain Relationships and Related Party Transactions."

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Information Statement may constitute "forward-looking statements" that involve risks and uncertainties. Forward-looking statements are based on our current assumptions regarding future business and financial performance. These statements by their nature address matters that are uncertain to different degrees. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Words such as "anticipates," "believes," "expects," "estimates," "intends," "plans," "projects," and similar expressions, may identify such forward-looking statements. Any forward-looking statement in this Information Statement speaks only as of the date on which it is made. Although we believe that the forward-looking statements contained in this Information Statement are based on reasonable assumptions, you should be aware that many factors could affect our actual financial results, cash flows or results of operations and could cause actual results to differ materially from those in such forward-looking statements, including but not limited to:

- the competitive environment in which we currently or intend to operate;
- our strategy, outcomes and growth prospects;
- general economic trends and trends in the industry and markets in which we and our managed companies operate;
- our and our managed companies' business dealings involving third-party partners in various markets;
- the risks from our entry into the CompoSecure Management Agreement and management agreements with other managed companies, including risks relating to due diligence, negotiation, performance, fee payment and termination;
- the risk that our managed companies will fail to perform as we expect and the resulting impacts on the management fees we expect to receive;
- our ability to identify and successfully negotiate and integrate into CompoSecure Holdings or our other managed companies future business acquisitions and investment opportunities;
- our ability to develop and deploy the Resolute Operating System at CompoSecure Holdings and our other managed companies;
- our ability to attract and retain personnel, including key members of our management;
- the ability of CompoSecure Holdings to grow and manage growth profitably, maintain relationships with its customers, compete within its industry and retain its key employees;
- the possibility that CompoSecure Holdings may be adversely impacted by other economic, business and/or competitive factors;
- future exchange and interest rates;
- damage to our reputation;
- our ability to comply with extensive, complex and increasing legal and regulatory requirements;
- cybersecurity and privacy considerations;
- legal proceedings and investigatory risks, including the outcome of any legal proceedings that may be instituted against CompoSecure Holdings or others;
- tax matters;
- CompoSecure's failure to complete the Spin-Off as planned or at all;
- our failure to manage the transition to a stand-alone public company; and
- certain factors discussed elsewhere in this Information Statement.

These and other factors are more fully discussed in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections and elsewhere in this Information Statement. Those cautionary statements are not exclusive and are in addition to other factors discussed elsewhere in this Information Statement. Except as required by law, we assume no obligation to update or revise any forward-looking statements.

THE SPIN-OFF

Background

On August 7, 2024, CompoSecure and Resolute Holdings I, LP, an investment firm led by David Cote and Thomas R. Knott, announced that certain holders of CompoSecure's previously outstanding Class B common stock had entered into stock purchase agreements with affiliates of Resolute Compo Holdings, including Tungsten 2024 LLC (collectively, "Resolute"). Pursuant to the terms of the stock purchase agreements, each Class B stockholder party thereto (each, a "Selling Holder") agreed with Resolute to (i) exchange all of such Selling Holder's Class B Common Units of CompoSecure Holdings for shares of CompoSecure common stock (with all of such Selling Holder's shares of Class B common stock being automatically cancelled for no consideration upon such exchange by operation of CompoSecure's certificate of incorporation) and (ii) subsequently sell to Tungsten 2024 LLC an agreed number of shares of CompoSecure common stock to be owned by the Selling Holder immediately following such exchange (the "Resolute Transaction"). The Resolute Transaction was completed on September 17, 2024.

On , 2025, CompoSecure announced that the CompoSecure Board unanimously approved a plan to establish and subsequently spin off an operating management business, which we refer to as Resolute Holdings, as an independent publicly traded company in the form of a taxable distribution. In connection with the Spin-Off, Resolute Holdings will enter into the CompoSecure Management Agreement with CompoSecure Holdings, which will have an initial term of 10 years, subject to autorenewal, to manage the business of CompoSecure, which is operated through a subsidiary of CompoSecure Holdings. Resolute Holdings will manage CompoSecure Holdings' day-to-day business and operations, oversee CompoSecure Holdings' strategy, and provide its expertise to enhance organic growth, identify opportunities for continuous improvement and implement David Cote's playbook of operational excellence. Resolute Holdings will also support the identification, negotiation and integration of future business acquisitions and investment opportunities.

On , 2025, the Distribution Date, each CompoSecure stockholder will receive shares of our common stock for every shares of CompoSecure common stock held at close of business on the record date of , 2025. Following the Spin-Off, we will operate independently from CompoSecure. No approval of CompoSecure's stockholders is required in connection with the Spin-Off, and CompoSecure's stockholders will not have any appraisal rights in connection with the Spin-Off.

Completion of the Spin-Off is subject to the satisfaction, or the CompoSecure Board's waiver, to the extent permitted by law, of a number of conditions. In addition, CompoSecure may at any time until the Spin-Off decide to abandon the Spin-Off or modify or change the terms of the Spin-Off. For a more detailed discussion, see "— Conditions to the Spin-Off."

Reasons for the Spin-Off

The CompoSecure Board believes that investors will value Resolute Holdings' operating management capabilities more favorably if conducted through a stand-alone company than residing within the legacy strategy at CompoSecure. The potential benefits considered by the CompoSecure Board in making the determination to consummate the Spin-Off of its management functions included the following:

- Enabling the necessary hiring of a team of analysts and operators required to accelerate organic growth, enhance margins and execute acquisitions in the most value-accretive way for stockholders;
- Providing the management expertise required to diversify CompoSecure's customer and end-market concentration through acquisitions, addressing an existing overhang noted by public investors;
- Unlocking the stand-alone value of Resolute Holdings' management platform and its contractually provided fee stream, which the CompoSecure Board expects will be stable and recurring over a lengthy duration and will grow commensurate with the success of CompoSecure's business, creating incremental equity value for stockholders;
- Aligning the interests of all stockholders through pro rata ownership in both CompoSecure and Resolute Holdings, allowing them to participate in the growth and value creation at both companies over time; and

- Allowing investors to better evaluate the growth and profitability potential of Resolute Holdings as a management company separate from CompoSecure as a diversified operating business.

The CompoSecure Board believes that the aggregate value of CompoSecure and Resolute Holdings will increase over time relative to the stand-alone value of CompoSecure prior to the announcement of the planned Spin-Off, as the Spin-Off will permit investors to invest separately in Resolute Holdings and in the operating businesses of CompoSecure. This structure may also make CompoSecure and the Resolute Holdings common stock more attractive to investors as compared to CompoSecure's common stock before the Spin-Off because the stock would become available to a broader base of investors who seek an investment that offers the growth, risk, and sector prospects of either Resolute Holdings or CompoSecure, but not that of the combined company.

The CompoSecure Board also considered factors that might have a negative effect on CompoSecure attributable to the Spin-Off. For example, there can be no assurance as to the future market prices of the common stock of either CompoSecure or Resolute Holdings. Additionally, certain factors such as a lack of Resolute Holdings' historical financial and performance data as an independent public company may limit investors' ability to appropriately value the Company's common stock. Further, Resolute Holdings is expected to initially operate with limited profitability due to the initial resource investment required to build the capabilities to perform its duties required by the CompoSecure Management Agreement. For more discussion on the risks associated with the Spin-Off, please refer to "Risk Factors."

In determining whether to effect the Spin-Off, the CompoSecure Board considered the costs and risks associated with the transaction, including the costs associated with preparing Resolute Holdings to become an independent, publicly traded company, the risk of volatility in our stock price immediately following the Spin-Off due to sales by CompoSecure stockholders whose investment objectives may no longer be met by shares of our common stock, the time it may take for us to attract our optimal stockholder base, the possibility of disruptions in our business as a result of the Spin-Off and the risk that the combined trading prices of shares of our common stock and the shares of CompoSecure common stock after the Spin-Off may drop below the trading price of shares of CompoSecure common stock before the Spin-Off. Notwithstanding these costs and risks, taking into account the factors discussed above, CompoSecure determined that the Spin-Off provided the best opportunity to achieve the above benefits and enhance long-term stockholder value. Please refer to the "Risk Factors — Risks Related to the Spin-Off" elsewhere in this Information Statement for additional considerations.

When and How You Will Receive Our Shares

CompoSecure will distribute to its stockholders, as a pro rata distribution, shares of our common stock for every shares of CompoSecure common stock outstanding as of , 2025, the Record Date of the Spin-Off.

Prior to the Spin-Off, CompoSecure will deliver all of the issued and outstanding shares of our common stock to the distribution agent. Continental Stock Transfer & Trust Company will serve as distribution agent in connection with the Spin-Off and as transfer agent and registrar for our common stock.

If you own CompoSecure common stock as of the close of business on the Record Date, and you retain your entitlement to receive the shares of our common stock through the Distribution Date, the shares of our common stock that you are entitled to receive in the Spin-Off will be issued to your account as follows:

- ***Registered stockholders***. If you own your shares of CompoSecure common stock directly through CompoSecure's transfer agent, you are a registered stockholder. In this case, the distribution agent will credit the whole shares of our common stock you receive in the Spin-Off by way of direct registration in book-entry form to a new account with our transfer agent. Registration in book-entry form refers to a method of recording share ownership where no physical stock certificates are issued to stockholders, as is the case in the Spin-Off. You will be able to access information regarding your book-entry account for our shares at or by calling .

Commencing on or shortly after the Distribution Date, the distribution agent will mail you an account statement that indicates the number of whole shares of our common stock that have been registered in book-entry form in your name. We expect it will take the distribution agent up to two weeks after the Distribution Date to complete the distribution of the shares of our common stock and mail statements of holding to all registered stockholders.

- ***"Street name" or beneficial stockholders***. If you own your shares of CompoSecure common stock beneficially through a bank, broker or other nominee, the bank, broker or other nominee holds the shares in "street name" and records your ownership on its books. In this case, your bank, broker or other nominee will credit your account with the whole shares of our common stock that you receive in the Spin-Off on or shortly after the Distribution Date. We encourage you to contact your bank, broker or other nominee if you have any questions concerning the mechanics of having shares held in "street name."

If you sell any of your shares of CompoSecure common stock after the Record Date but on or before the Distribution Date, the buyer of those shares, rather than you, may in some circumstances be entitled to receive the shares of our common stock to be distributed in respect of the shares of CompoSecure common stock you sold. See "— Trading Prior to the Distribution Date."

We are not asking CompoSecure stockholders to take any action in connection with the Spin-Off. We are not asking you for a proxy and request that you not send us a proxy. We are also not asking you to make any payment or surrender or exchange any of your shares of CompoSecure common stock for shares of our common stock. The number of outstanding shares of CompoSecure common stock will not change as a result of the Spin-Off.

Number of Shares You Will Receive

On the Distribution Date, you will be entitled to receive shares of our common stock for every shares of CompoSecure common stock that you hold on the record date.

Treatment of Fractional Shares

The distribution agent will not distribute any fractional shares of our common stock in connection with the Spin-Off. Instead, the distribution agent will aggregate all fractional shares into whole shares and sell the whole shares in the open market at prevailing market prices on behalf of CompoSecure stockholders entitled to receive a fractional share. The distribution agent will then distribute the aggregate cash proceeds of the sales, net of brokerage fees, transfer taxes and other costs, pro rata to these holders (net of any required withholding for taxes applicable to each holder). The distribution agent will, in its sole discretion, without any influence by CompoSecure or us, determine when, how, through which broker-dealer and at what price to sell the whole shares. The distribution agent is not, and any broker-dealer used by the distribution agent will not be, an affiliate of either CompoSecure or us.

The distribution agent will send to each registered holder of CompoSecure common stock entitled to a fractional share a check in the cash amount deliverable in lieu of that holder's fractional share as soon as practicable following the Distribution Date. We expect the distribution agent to take about two weeks after the Distribution Date to complete the distribution of cash in lieu of fractional shares to CompoSecure stockholders. If you hold your shares through a bank, broker or other nominee, your bank, broker or nominee will receive, on your behalf, your pro rata share of the aggregate net cash proceeds of the sales. No interest will be paid on any cash you receive in lieu of a fractional share. The cash you receive in lieu of a fractional share will generally be taxable to you for U.S. federal income tax purposes. See "Material U.S. Federal Income Tax Consequences of the Spin-Off."

Results of the Spin-Off

After the Spin-Off, we will be an independent, publicly traded company. Immediately following the Spin-Off, we expect to have approximately shares of our common stock outstanding, based on the number of CompoSecure shares of common stock outstanding on , 2025. The actual number of shares of our common stock CompoSecure will distribute in the Spin-Off will depend on the actual

number of shares of CompoSecure common stock outstanding on the Record Date, which will reflect any issuance of new shares, vesting of equity awards, or exercises of outstanding options pursuant to CompoSecure's equity plans, and any repurchase of CompoSecure shares by CompoSecure under its common stock repurchase program, on or prior to the Record Date. Shares of CompoSecure common stock held by CompoSecure as treasury shares will not be considered outstanding for purposes of, and will not be entitled to participate in, the Spin-Off. The Spin-Off will not affect the number of outstanding shares of CompoSecure common stock or any rights of CompoSecure stockholders. However, following the Spin-Off, the equity value of CompoSecure will no longer reflect the value of the management functions that will be performed by Resolute Holdings pursuant to the CompoSecure Management Agreement or the management fees payable thereunder. Although CompoSecure believes that our separation from CompoSecure offers its stockholders the greatest long-term value, there can be no assurance that the combined trading prices of the CompoSecure common stock and our common stock will equal or exceed what the trading price of CompoSecure common stock would have been in absence of the Spin-Off.

Before our separation from CompoSecure, we intend to enter into the CompoSecure Management Agreement and several agreements with CompoSecure, including the Separation and Distribution Agreement. Together, these agreements will govern the relationship between us and CompoSecure up to and after completion of the Spin-Off and allocate between us and CompoSecure various assets, liabilities, rights and obligations, including employee benefits and tax-related liabilities. We describe these arrangements in greater detail under "Certain Relationships and Related Party Transactions."

Listing and Trading of Our Common Stock

As of the date of this Information Statement, we are a wholly owned subsidiary of CompoSecure. Accordingly, no public market for our common stock currently exists, although a "when-issued" market in our common stock may develop prior to the Spin-Off. See "— Trading Prior to the Distribution Date" below for an explanation of a "when-issued" market. We have applied to list our shares of common stock on The Nasdaq Stock Market LLC under the ticker symbol "RHLD." Following the Spin-Off, CompoSecure common stock will continue to trade on the Nasdaq Global Market under the ticker symbol "CMPO."

Although CompoSecure believes that our separation from CompoSecure offers its stockholders the greatest long-term value, neither we nor CompoSecure can assure you as to the trading price of CompoSecure common stock or our common stock after the Spin-Off, or as to whether the combined trading prices of our common stock and the CompoSecure common stock after the Spin-Off will equal or exceed the trading prices of CompoSecure common stock prior to the Spin-Off. The trading price of our common stock may fluctuate significantly following the Spin-Off.

The shares of our common stock distributed to CompoSecure stockholders will be freely transferable, except for shares received by individuals who are our affiliates. Individuals who may be considered our affiliates after the Spin-Off include individuals who control, are controlled by, or are under common control with us, as those terms generally are interpreted for federal securities law purposes. These individuals may include some or all of our directors and executive officers. Individuals who are our affiliates will be permitted to sell their shares of our common stock only pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act, such as those afforded by Section 4(a)(1) of the Securities Act or Rule 144 thereunder.

Trading Prior to the Distribution Date

We expect a "when-issued" market in our common stock to develop as early as the Record Date for the Spin-Off and continue up to and including the Distribution Date. "When-issued" trading refers to a sale or purchase made conditionally on or before the Distribution Date because the securities of the spun-off entity have not yet been distributed. If you own shares of CompoSecure common stock at the close of business on the Record Date, you will be entitled to receive shares of our common stock in the Spin-Off. You may trade this entitlement to receive shares of our common stock, without the shares of CompoSecure common stock you own, on the "when-issued" market. We expect "when-issued" trades of our common stock to settle within one trading day after the Distribution Date. On the first trading day following the Distribution Date, we expect that "when-issued" trading of our common stock will end and "regular-way" trading will begin.

We also anticipate that, as early as the Record Date and continuing up to and including the Distribution Date, there will be two markets in CompoSecure common stock: a "regular-way" market and an "ex-distribution" market. Shares of CompoSecure common stock that trade on the regular-way market will trade with an entitlement to receive shares of our common stock in the Spin-Off. Shares that trade on the ex-distribution market will trade without an entitlement to receive shares of our common stock in the Spin-Off. Therefore, if you sell shares of CompoSecure common stock in the regular-way market up to and including the Distribution Date, you will be selling your right to receive shares of our common stock in the Spin-Off. However, if you own shares of CompoSecure common stock at the close of business on the Record Date and sell those shares on the ex-distribution market up to and including the Distribution Date, you will still receive the shares of our common stock that you would otherwise be entitled to receive in the Spin-Off.

If "when-issued" trading occurs, the listing for our common stock is expected to be under a trading symbol different from our regular-way trading symbol. We will announce our "when-issued" trading symbol when and if it becomes available. If the Spin-Off does not occur, all "when-issued" trading will be null and void.

Conditions to the Spin-Off

We expect that the Spin-Off will be effective on the Distribution Date, provided that the following conditions shall have been satisfied or waived by CompoSecure:

- the CompoSecure Board shall have approved the Spin-Off and not withdrawn such approval and shall have declared the dividend of our common stock to CompoSecure stockholders;
- the Separation and Distribution Agreement, as well as the ancillary agreements contemplated by the Separation and Distribution Agreement, shall have been executed by each party to those agreements;
- the SEC shall have declared effective our Registration Statement on Form 10, of which this Information Statement is a part, under the Exchange Act, and no stop order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for that purpose shall be pending before or threatened by the SEC;
- our common stock shall have been accepted for listing on a national securities exchange approved by CompoSecure, subject to official notice of issuance;
- no order, injunction or decree issued by any governmental authority of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Spin-Off shall be in effect, and no other event outside the control of CompoSecure shall have occurred or failed to occur that prevents the consummation of the Spin-Off;
- no other events or developments shall have occurred prior to the Spin-Off that, in the judgment of the CompoSecure Board, would result in the Spin-Off having a material adverse effect on CompoSecure or its stockholders;
- prior to the Distribution Date, a Notice of Internet Availability of this Information Statement or this Information Statement shall have been mailed to the holders of CompoSecure common stock as of the Record Date; and
- certain other conditions set forth in the Separation and Distribution Agreement.

Any of the above conditions may be waived by the CompoSecure Board to the extent such waiver is permitted by law. If the CompoSecure Board waives any condition prior to the effectiveness of the Registration Statement on Form 10, of which this Information Statement forms a part, or change the terms of the Spin-Off, and the result of such waiver or change is material to CompoSecure stockholders, we will file an amendment to the Registration Statement on Form 10, of which this Information Statement forms a part, to revise the disclosure in the Information Statement accordingly. In the event that CompoSecure waives a condition or changes the terms of the Spin-Off after this Registration Statement on Form 10 becomes effective and such waiver or change is material to CompoSecure stockholders, we would communicate such waiver or change to CompoSecure's stockholders by filing a Form 8-K describing the waiver or change.

The fulfillment of the above conditions will not create any obligation on CompoSecure's part to complete the Spin-Off. We are not aware of any material federal, foreign or state regulatory requirements with which we must comply, other than SEC rules and regulations, or any material approvals that we must obtain, other than the approval for listing of our common stock and the SEC's declaration of the effectiveness of the Registration Statement, in connection with the Spin-Off. CompoSecure may at any time until the Spin-Off decide to abandon the Spin-Off or modify or change the terms of the Spin-Off.

Reasons for Furnishing This Information Statement

We are furnishing this Information Statement solely to provide information to CompoSecure's stockholders who will receive shares of our common stock in the Spin-Off. You should not construe this Information Statement as an inducement or encouragement to buy, hold or sell any of our securities or any securities of CompoSecure. We believe that the information contained in this Information Statement is accurate as of the date set forth on the cover. Changes to the information contained in this Information Statement may occur after that date, and neither we nor CompoSecure undertakes any obligation to update the information except in the normal course of our and CompoSecure's public disclosure obligations and practices.

DIVIDEND POLICY

As an independent, publicly traded company, we will be determining the optimal allocation of capital to achieve our strategy and deliver competitive returns to our stockholders, including whether to pay cash dividends to our stockholders. The timing, declaration, amount and payment of future dividends to stockholders, if any, will fall within the discretion of our Board. Among the items we will consider when establishing a dividend policy will be our capital needs and opportunities to retain future earnings for use in the operation of our business and to fund future growth. There can be no assurance that we will pay a dividend in the future or continue to pay any dividend if we do commence the payment of dividends.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma condensed consolidated financial statements presented in this Information Statement were prepared in accordance with Article 11 of the Securities and Exchange Commission's Regulation S-X. Defined terms included in the pro forma condensed consolidated financial information have the same meaning as terms defined elsewhere in this Information Statement.

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2024 reflects the Pro Forma Transactions (as defined below) as if they occurred on such date. The unaudited pro forma condensed consolidated statements of operations for the nine months ended September 30, 2024 and for the year ended December 31, 2023 reflect the Pro Forma Transactions as if they occurred on January 1, 2023, the beginning of the earliest period presented in the unaudited pro forma condensed consolidated financial statements. The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the audited financial statements of Resolute Holdings as of September 27, 2024, the audited financial statements of CompoSecure Holdings for the year ended December 31, 2023, and the unaudited interim financial statements of CompoSecure Holdings as of and for the nine months ended September 30, 2024, each included elsewhere in this Information Statement.

The unaudited pro forma condensed consolidated financial statements include adjustments (collectively, the "Pro Forma Transactions") to reflect the following:

- the anticipated post-Spin-Off capital structure, consisting of the issuance of approximately shares of our common stock to holders of CompoSecure common stock in connection with the Spin-Off;
- the impact of the CompoSecure Management Agreement and the Separation and Distribution Agreement to be entered into in connection with the Spin-Off (see "Certain Relationships and Related Party Transactions");
- transaction and incremental costs expected to be incurred as an autonomous entity and specifically related to the Spin-Off; and
- other adjustments described in the notes to the unaudited pro forma condensed consolidated financial statements.

The unaudited pro forma condensed consolidated financial statements below are for illustrative and informational purposes only and do not purport to represent what our financial position and results of operations would have been had the Pro Forma Transactions occurred on the dates indicated, nor are they necessarily indicative of our future financial position and future results of operations. The Pro Forma Transactions are based on available information and assumptions that management believes are reasonable; however, such adjustments are subject to change. The unaudited pro forma condensed consolidated financial statements do not necessarily represent the financial position or results of operations of Resolute Holdings had it operated as a standalone company during the period or at the date presented. As a result, known autonomous entity adjustments have been reflected in the unaudited pro forma condensed consolidated financial statements.

A final determination regarding our capital structure has not yet been made, and not all the transaction agreements have been finalized. To the extent any revisions or modifications to the capital structure or agreements give rise to material changes, the autonomous entity pro forma adjustments will be updated to reflect the impacts.

The unaudited pro forma condensed consolidated financial statements constitute forward-looking information and are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated. See the sections "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements," included elsewhere in this Information Statement.

Within the financial statements and tables presented, certain columns and rows may have rounding differences due to the use of rounded numbers for disclosure purposes.

Resolute Holdings Management, Inc

Unaudited Condensed Consolidated Pro Forma Balance Sheet
As of September 30, 2024
(in thousands)

	Resolute Holdings	CompoSecure Holdings, L.L.C.	Transaction Accounting Adjustments		Autonomous Entity Adjustments		Pro Forma
ASSETS							
Current Assets							
Cash and cash equivalents	$ —	$ 44,815	$ 10,000	a	$ —		$ 44,815
			(10,000)	a			
Accounts receivable, net	—	43,799	—		—		43,799
Inventories	—	55,090	—		—		55,090
Prepaid expenses and other current assets	—	3,606	—		—		3,606
Total current assets	—	147,310	—		—		147,310
Property and equipment, net	—	23,062	—		—		23,062
Right of use assets, net	—	5,929	—		1,378	g	7,307
Derivative asset – interest rate swap	—	2,775					2,775
Due from parent	—	49,374	—		—		49,374
Deposits and other assets	—	1,762	—		—		1,762
Total assets	$ —	$ 230,212	$ —		$1,378		$ 231,590
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities							
Accounts payable	$ —	$ 8,018	$ —		$ —		$ 8,018
Accrued expenses	—	17,216	8,842	b	—		26,058
Commission payable	—	2,967	—		—		2,967
Bonus payable	—	7,732	—		—		7,732
Current portion of long-term debt	—	10,000	—		—		10,000
Other current liabilities	—	2,070	—		—		2,070
Total current liabilities	—	48,003	8,842		—		56,845
Long-term debt, net of deferred finance costs	—	188,149	—		—		188,149
Convertible notes, net of debt discount	—	128,220	—		—		128,220
Lease liabilities, operating	—	4,490	—		1,378	g	5,868
Total liabilities	—	368,862	8,842		1,378		379,082
Member's capital	—	88,328	(88,328)	c	—		—
			—		—		—
Common stock				d	—		
Additional paid-in capital	—	—	10,000	a	—		88,328
			(10,000)	a			
				d			
			88,328	c			
Accumulated other comprehensive income	—	2,775	—		—		2,775
Accumulated deficit	—	(229,753)	(8,842)	b	—		(238,595)
Total stockholders' deficit	—	(138,650)	(8,842)		—		(147,492)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ —	$ 230,212	$ —		$1,378		$ 231,590

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

Resolute Holdings Management, Inc

Unaudited Condensed Consolidated Pro Forma Statement of Operations
Nine Months Ended September 30, 2024
(in thousands, except share and per share amounts)

	Resolute Holdings	CompoSecure Holdings, L.L.C.	Transaction Accounting Adjustments	Autonomous Entity Adjustments		Pro Forma
Net sales	$ —	$319,712	$ —	$ 9,905	h	$319,712
			—	$ (9,905)	h	
Cost of sales	—	153,019	—	—		153,019
Gross profit	—	166,693	—	—		166,693
Operating expenses						
Selling, general and administrative	—	68,012	—	9,905	h	77,617
			—	(9,905)	h	
			—	7,069	i	
			—	215	j	
			—	2,321	k	
Income from operations	—	98,681	—	(9,605)		89,076
Other (expense) income						
Change in fair value of derivative liability – convertible notes redemption make-whole provision	—	425	—	—		425
Interest expense, net	—	(15,924)	—	—		(15,924)
Loss on extinguishment of debt		(148)				(148)
Amortization of deferred financing costs	—	(908)	—	—		(908)
Total other (expense), net	—	(16,555)	—	—		(16,555)
Income before taxes	—	82,126	—	(9,605)		72,521
Income tax benefit (expense)	—	—	—	2,737	l	2,737
Net income	$ —	$ 82,126	$ —	$ (6,868)		$ 75,258
Income attributable to non-controlling interest						$ 72,221
Income attributable to Resolute Holdings, Management, Inc.						$ 3,037
Net income per share attributable to Common stockholders (Note m)						
Basic						$
Diluted.						$
Weighted average shares used to compute net income per share attributable to Common stockholders (Note m)						
Basic						
Diluted						

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

Resolute Holdings Management, Inc

Unaudited Condensed Consolidated Pro Forma Statement of Operations
Twelve Months Ended December 31, 2023
(in thousands, except share and per share amounts)

	Resolute Holdings	CompoSecure Holdings, L.L.C.	Transaction Accounting Adjustments		Autonomous Entity Adjustments		Pro Forma
Net sales	$ —	$390,629	$ —		$ 12,318	h	$390,629
					(12,318)	h	
Cost of sales	—	181,547	—		—		181,547
Gross profit	—	209,082	—		—		209,082
Operating expenses							
Selling, General and administrative	—	83,547	8,842	e	12,318	h	105,227
					(12,318)	h	
			—		9,426	i	
			—		292	j	
			—		3,120	k	
Income from operations	—	125,535	(8,842)		(12,838)		103,855
Other (expense)							
Change in fair value of derivative liability – convertible notes and redemption make-whole provision	—	(139)	—		—		(139)
			—		—		—
Interest expense, net	—	(22,586)	—		—		(22,586)
Amortization of deferred financing costs	—	(1,608)	—		—		(1,608)
Total other (expense), net	—	(24,333)	—		—		(24,333)
Income before taxes	—	101,202	(8,842)		(12,838)		79,522
Income tax (expense) benefit	—	—	2,520	f	3,659	l	6,179
Net income	$ —	$101,202	$(6,322)		$ (9,179)		$ 85,701
Income attributable to non-controlling interest							$ 88,884
Income attributable to Resolute Holdings Management, Inc.							$ (3,183)
Net income per share attributable to Common stockholders (Note m)							
Basic							
Diluted.							
Weighted average shares used to compute net income per share attributable to Common stockholders (Note m)							
Basic							
Diluted							

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

Resolute Holdings Management, Inc.

Notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements

1. Basis of Presentation

The unaudited pro forma condensed consolidated financial statements were prepared in accordance with Article 11 of the Securities and Exchange Commission's Regulation S-X. The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the audited financial statements of Resolute Holdings as of September 27, 2024, included elsewhere in this Information Statement. Resolute Holdings was formed on September 27, 2024 and has had no activity since formation.

In accordance with ASC 810, for financial reporting purposes, Resolute Holdings is required to consolidate the financial statements of CompoSecure Holdings under U.S. GAAP. The historical financial information of CompoSecure Holdings presented herein has been derived from the audited financial statements of CompoSecure Holdings for the year ended December 31, 2023 and from the unaudited interim financial statements of CompoSecure Holdings as of and for the nine months ended September 30, 2024 included elsewhere in this Information Statement.

Management has made significant estimates and assumptions in its determination of the pro forma adjustments based on information available as of the date of this Information Statement. As the unaudited pro forma condensed combined financial information has been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented as additional information becomes available. Management considers this basis of presentation to be reasonable under the circumstances.

2. Transaction Accounting Adjustments:

Balance sheet

(a) Represents $10 million in funding by CompoSecure Holdings for working capital. The transfer of funds between Resolute Holdings and CompoSecure Holdings is eliminated in consolidation as reflected in the pro forma presentation.

(b) Represents the accrual of transaction costs associated with the Spin-Off. As Resolute Holdings was formed on September 27, 2024, no transaction costs were incurred in the historical period presented. Transaction costs are anticipated to be incurred by CompoSecure Holdings and Resolute Holdings during the fourth quarter of 2024 and through the Spin-Off. Transaction costs are comprised of legal, advisory, banking and other professional fees.

(c) To reclassify members capital to additional paid-in-capital.

(d) To adjust shares of CompoSecure common stock outstanding for the shares distributed to Resolute Holdings pursuant to the Separation and Distribution Agreement. We have assumed the number of shares of common stock based on shares of CompoSecure common stock outstanding on assuming a distribution of shares by applying a distribution ratio of share of our common stock for every shares of CompoSecure common stock. The final distribution ratio has not been determined and the actual number of shares will not be known until the record date of the distribution.

Statement of operations

(e) Represents transaction costs associated with the Spin-Off. As Resolute Holdings was formed on September 27, 2024, no transaction costs were incurred in the historical period presented. Transaction costs are anticipated to be incurred by CompoSecure Holdings and Resolute Holdings during the fourth quarter of 2024 and through the Spin-Off. Transaction costs are comprised of legal, advisory, banking and other professional fees.

(f) Represents the tax impact of the respective transaction accounting adjustments after applying the applicable statutory federal income tax rate of 22% and state income tax rate of 6.5% to each of the pre-tax pro forma adjustments. The final income tax impact may be impacted higher or lower as more detailed information becomes available after the Spin-Off.

Autonomous Entity Adjustments:

Balance sheet

(g) Represents the impact of a lease arrangement entered into by Resolute Holdings for corporate office space where operations will occur. This adjustment records the right-of-use asset and related operating lease liability based on the estimated present value of the lease payments over the lease term.

Statement of operations

(h) Represents the Management Fee, pursuant to the CompoSecure Management Agreement. See "Certain Relationships and Related Party Transactions — CompoSecure Management Agreement — Management Fee." The table below presents CompoSecure Holdings' Adjusted EBITDA computed in accordance with the CompoSecure Management Agreement. The management fee is calculated as 2.5% of the trailing twelve month Adjusted EBITDA each quarter.

(*in millions*)

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Net income	27.8	27.9	26.4	26.7	24.4	26.6	23.6	(15.7)	57.1	33.7
Add:										
Depreciation and amortization	2.3	2.4	2.2	2.1	2.1	2.1	2.0	2.0	2.0	2.2
Interest expense, net[1]	5.4	5.7	5.8	5.8	6.0	5.8	6.5	3.8	5.9	5.5
Income tax (benefit)/expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	35.6	35.9	34.4	34.7	32.5	34.5	32.1	(10.0)	65.0	41.5
Special management bonus expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mark to market adjustments, net[2]	(0.5)	(0.2)	0.3	(0.2)	(0.1)	(0.2)	0.7	(0.1)	(0.2)	(0.2)
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0	37.1	(37.1)	0.0
CompoSecure Holdings Adjusted EBITDA	35.2	35.8	34.7	34.5	32.3	34.3	32.8	27.0	27.6	41.3
CompoSecure net expenses[3]	(0.8)	(1.0)	(1.3)	(1.8)	(1.4)	(1.9)	(1.4)	(0.2)	1.3	(4.7)
Management fees[4]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Management Agreement Adjusted EBITDA	34.4	34.8	33.4	32.7	30.9	32.5	31.5	26.8	28.9	36.6
Stock-based compensation expense[5]	5.6	5.2	4.4	4.5	4.6	4.4	4.0	3.7	3.7	3.0
CompoSecure Adjusted EBITDA	40.0	40.0	37.8	37.2	35.5	36.9	35.5	30.6	32.7	39.7

(1) Includes amortization of deferred financing cost.

(2) Includes the changes in fair value of make-whole provision liability.

(3) Represents corporate expenses of CompoSecure not incurred by or reflected in the financial statements of CompoSecure Holdings.

(4) No Management Fees were incurred during the historical periods presented, but will be reflected in the calculation of Management Agreement Adjusted EBITDA for future periods.

(5) Adjusted EBITDA for CompoSecure has historically reflected an adjustment for stock-based compensation expense of CompoSecure Holdings and CompoSecure. Starting in 2025, CompoSecure intends not to include an adjustment for normal course stock-based compensation expense in reported Adjusted EBITDA for CompoSecure.

The Management Fee is revenue to Resolute Holdings and an expense to CompoSecure Holdings which is eliminated in consolidation. The revenue, expense and related elimination are reflected in the consolidated pro forma presentation.

(i) Represents compensation and benefit expenses for the employees of Resolute Holdings. These incremental expenses primary relate to recurring amounts for salaries, bonuses, healthcare, employer taxes, and employer 401(k) contributions. Actual costs associated with executive compensation may differ based on management turnover, satisfaction of certain performance milestones and renegotiation of contract terms.

(j) Represents operating lease costs incurred from a lease arrangement entered into by Resolute Holdings for corporate office space where operations will occur. Actual costs associated with leases may differ due to changing facility needs based on Resolute Holdings' geographic footprint and number of employees.

(k) Represents recurring and ongoing costs required to provide the services pursuant to the CompoSecure Management Agreement as a stand-alone public company, including board of directors and officer expenses, insurance, stock administration, anticipated travel, registration fees and other administrative costs. The actual costs may differ.

(l) Represents the tax impact of the respective autonomous entity adjustments after applying the applicable statutory federal income tax rate of 22% and state income tax rate of 6.5% to each of the pre-tax pro forma adjustments. The final income tax impact may be impacted higher or lower as more detailed information becomes available after the Spin-Off.

Earnings per share

(m) The weighted-average number of shares of our common stock used to compute basic earnings per share for the nine months ended September 30, 2024 and year ended December 31,2023 is based on the weighted average number of shares of CompoSecure common stock, together with shares of CompoSecure's Class B common stock, outstanding during the nine and twelve months ended September 30, 2024 and December 31, 2023, assuming a distribution ratio of share of our common stock for every shares of CompoSecure common stock. For the nine months ended September 30, 2024, the weighted average number of shares used to compute diluted earnings per share is based on the weighted average number of CompoSecure common stock adjusted for shares which could have been issued upon the conversion of CompoSecure's previously outstanding convertible notes. No adjustment was made for share-based compensatory awards by Resolute Holdings as the number of such future awards is currently unknown. For the year ended December 31, 2023, diluted earnings per share is based on the weighted average number of shares of our common stock since Resolute Holdings had a net loss. Any incremental shares would have been anti-dilutive.

OUR BUSINESS

The following section describes the intended business and strategy of Resolute Holdings. For a discussion of the business of CompoSecure, see "The Business of CompoSecure" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" elsewhere in this Information Statement.

Overview

We are a newly formed Delaware corporation organized to provide operating management services to CompoSecure Holdings and any other companies we may manage in the future, both in the United States and internationally. We will earn management fees from CompoSecure Holdings, including any additional businesses that CompoSecure Holdings acquires from time to time, pursuant to a long-term management contract with CompoSecure Holdings, and we may enter into additional agreements to manage additional companies in the future.

Our management team, led by David Cote and Tom Knott, has a proven track record of sourcing, executing and integrating businesses and then growing and developing those businesses profitably. David Cote brings more than 40 years of operating experience across a wide range of industries. Following a variety of senior executive positions at GE and TRW, Mr. Cote served as Executive Chairman of the Board and Chief Executive Officer of Honeywell from 2002 to 2017. While at Honeywell, Mr. Cote led a profound shift in strategy characterized by a focus on profitable growth, consistent margin improvement and the development of a results-oriented culture. Mr. Cote also implemented a disciplined acquisition framework, using M&A to build Honeywell's divisions to leading positions in their respective industries and to optimize Honeywell's portfolio of businesses. Mr. Cote's efforts yielded significant improvements in operating and financial performance that led to meaningful and consistent value creation for stockholders. Under his leadership, from 2003 to 2017, Honeywell reported revenues increased by 83% and significant segment profit margin expansion and adjusted earnings per share growth. From January 1, 2003 to April 18, 2018, Honeywell's total stockholder return (calculated as the capital gain plus dividends) was 797% compared to 321% for the S&P 500 (Mr. Cote served as Chairman and Chief Executive Officer of Honeywell until March 2017, and as non-executive Chairman of the Board at Honeywell until April 2018). Honeywell's market capitalization also grew from $20 billion on January 1, 2003, to approximately $112 billion on April 18, 2018, after distributing in excess of $17 billion of dividends, thereby creating in excess of $109 billion of value for Honeywell's stockholders. Most recently, Mr. Cote has served since February 2020 as the Executive Chairman of the Board of Vertiv, the stock price of which increased 1,100% during his tenure (as of December 20, 2024). Tom Knott brings more than 14 years of investment experience across a variety of assets classes and investment structures. Most recently, he led the Permanent Capital Strategies group at Goldman Sachs, where his efforts were focused on developing a platform to combine long-term capital and a disciplined acquisition strategy with best-in-class operating capabilities. While at Goldman Sachs, Mr. Knott successfully led the initial public offering of special purposes acquisition companies GS Acquisition Holdings Corp ("GSAH I") and GS Acquisition Holdings Corp II ("GSAH II") through to their respective mergers with Vertiv and Mirion Technologies.

We believe the CompoSecure Management Agreement, as well as the additional management agreements we may enter into in the future with additional managed companies, will provide us with recurring, long-duration management fees, and that our substantial growth prospects and scalable operating platform will position us as an industry leading operating manager. Our aspiration to become an industry-leading operations manager is based on our differentiated approach of value creation through the systematic deployment of the Resolute Operating System ("ROS") along with management's history of successfully building businesses into leading positions in their respective industries. We believe that the ROS will drive performance at businesses we manage and will create value at both the underlying managed businesses, including the business of CompoSecure, and at Resolute Holdings. We believe this operationally driven approach combined with our M&A and capital markets expertise is a competitive advantage that will enable us to maximize stockholder value in both companies over time.

Founded in 2000, CompoSecure is an integral technology partner to market-leading payment card issuers, emerging Fin Techs and global consumers enabling trust at the point of transaction. The company is a leading designer and manufacturer of premium metal, composite, and proprietary financial payments cards. CompoSecure creates innovative, highly differentiated and customized quality financial payment

products for banks and other payment card issuers to support and increase their customer acquisition, customer retention and organic customer spend. The company's customers consist primarily of leading international and domestic banks and other payment card issuers within the United States, with additional direct and indirect customers in Europe, Asia, Latin America, Canada and the Middle East. With over 20 years of innovation and experience, CompoSecure has the leading market share in premium metal payment card manufacturing and has relationships with 125 customers globally, including nine of the 10 largest U.S. card issuers.

CompoSecure is also an emergent player in secure authentication and digital asset storage through its Arculus platform. Formed in 2021, the Arculus 3-factor authentication solution is a stand-alone business within CompoSecure. Arculus leverages three-factor authentication to confirm a user's identity with biometrics, entry of numeric PIN and a proprietary metal key card that requires a physical tap to a phone to authenticate a transaction. Arculus Authenticate is a hardware-bound PassKey authenticator that supports new device authentication, customer support authentication, step-up authentication for highly secure transactions and secure login on mobile devices. Arculus Cold Storage is a digital asset hardware cold storage wallet that generates, stores and secures key for self-custody of cryptocurrencies.

Our Management Agreement

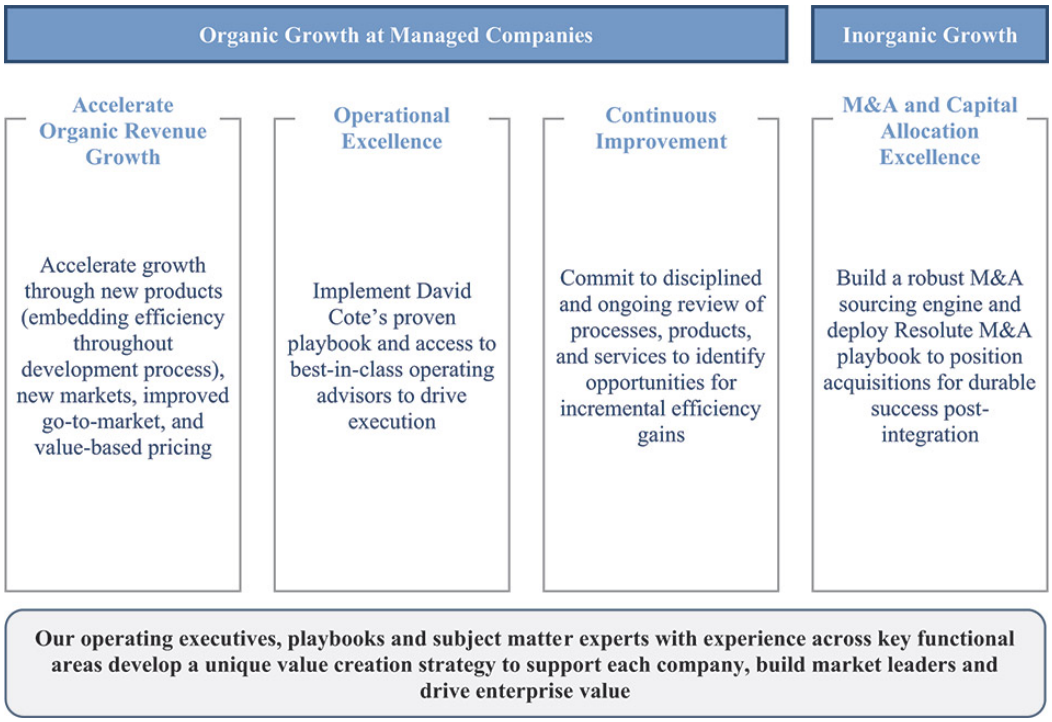
The CompoSecure Management Agreement will provide that Resolute Holdings will use its reasonable best efforts to present CompoSecure Holdings with continuing and suitable management and M&A advisory services in exchange for the payment of a quarterly management fee, payable in arrears, in a cash amount equal to 2.5% of CompoSecure Holdings' last 12 months' Adjusted EBITDA, measured for the period ending on the fiscal quarter then ended as calculated in accordance with the CompoSecure Management Agreement. For a description of the terms of the CompoSecure Management Agreement, see "Certain Relationships and Related Party Transactions — CompoSecure Management Agreement."

Our Management Strategy

Our primary business objective is to provide operational management services to CompoSecure Holdings and any other companies we may manage in the future. Our growth will be directly aligned with our ability to grow CompoSecure's business profitably through operational improvements, accretive investments and diversifying acquisitions.

We refer to our management strategy as the Resolute Operating System ("ROS"), developed over 40 years by David Cote through his management experience at GE, Honeywell and Vertiv. The key tenets of the ROS are Accelerate Organic Revenue Growth, Operational Excellence, Continuous Improvement, and M&A and Capital Allocation Excellence:

Resolute Operating System
Strategic Approach to Deliver Long-Term Stockholder Value



Overview of Key Tenets

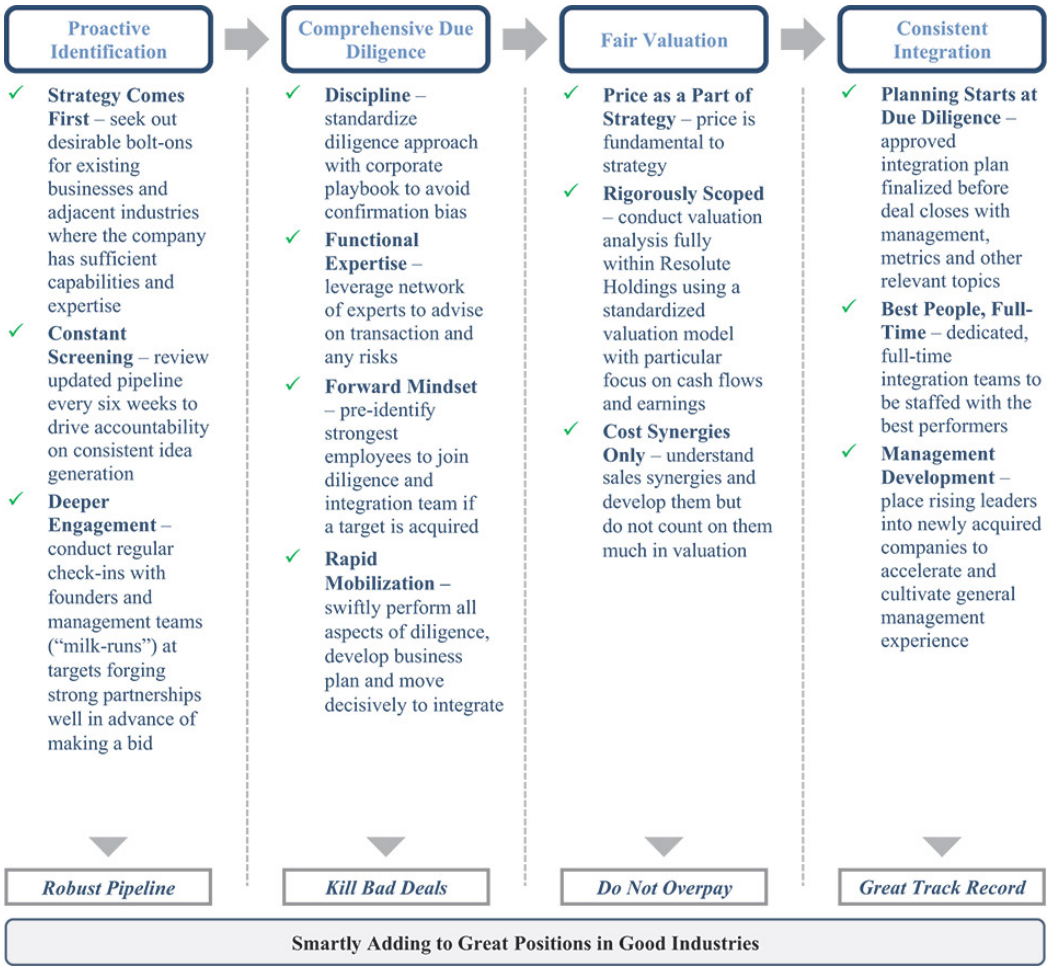
- Accelerate Organic Revenue Growth. We intend to pursue an acceleration in organic growth through a combination of revenue scaling, targeted research and development, salesforce efficiency and value-based pricing. Revenue scaling will involve making commercial introductions and identifying new markets for expansion based on identified product-market fit. Our research and development framework will prioritize efficiency and a focus on the highest return on invested capital while consistently innovating to achieve recurring product launches. Salesforce efficiency and effectiveness is a function of accountability and the appropriate go-to-market strategy which we intend to proactively monitor. We believe that products should be priced according to the value they provide to the marketplace. The ability to consistently provide new and improved products should enhance our ability to price our operating companies' products according to the value they provide to their respective customers.
- Operational Excellence. Our management team, led by David Cote, intends to implement lean and design for six-sigma methodologies that include value stream mapping to achieve operational excellence and reduced waste throughout CompoSecure's business and other companies managed by Resolute Holdings from time to time. Through the systematic application of best practices and process standardization, CompoSecure's business will aim to achieve consistent output quality, reduce factory overheads, mitigate operational risks and strengthen its competitive position in the marketplace. We believe our planned operational excellence initiatives will also further establish a framework for continuous monitoring and refinement of processes, enabling us to respond to evolving market demands and regulatory requirements, while sustaining long-term profitability and stockholder value.

Resolute Operating System
Operational Excellence — Standard Implementation Framework Structures Deployment

- Continuous Improvement. Our management team's dedication to continuous improvement is fundamental to driving our strategy of fostering innovation, optimizing operational performance and enhancing overall business resilience. Our approach entails a disciplined and ongoing review of processes, products and services, aimed at identifying opportunities for incremental enhancements and efficiency gains. Through adoption of lean and design for six-sigma methodologies, we believe we will pursue sustained excellence include by utilizing value stream mapping, Kaizen, 5S (cleanliness and order), visual management, standardized workflows, process design for flow and quality, knowledge sharing, leader driven outcomes and daily management system. The operating system's goal is to continuously reduce manufacturing variability, minimize production defects, improve production yields and improve customer satisfaction. We believe our continuous improvement efforts will support the ability of CompoSecure's business to adapt to changing market conditions and regulatory landscapes, contributing to sustainable growth and long-term stockholder returns.

Resolute Operating System
Continuous Improvement — Standardized Kaizen Event Process

Resolute Operating System
M&A and Capital Allocation Excellence — Disciplined, End-to-End M&A Process Ownership



- M&A and Capital Allocation Excellence. Integrations have been the driving force behind the ability of our management personnel to drive sustained growth in their prior management roles. We believe a successful acquisition and integration strategy is central to long-term stockholder value creation. Our team has extensive, cross-functional expertise in identifying opportunities in secularly attractive markets with robust growth drivers that can both add capabilities to CompoSecure's core business and further diversify CompoSecure's business mix. We intend to analyze opportunities for enhanced market position, growth potential, differentiated technologies and ability to drive margin expansion. Our management team intends to continuously strive to evaluate and adjust our acquisition strategy to maintain a strong, diversified and countercyclical investment portfolio. Once businesses are managed by Resolute Holdings, our management team will focus on expeditiously prioritizing consistent integration by providing the tools, resources and best practices required to accelerate the transition. Complementary to our M&A approach, we intend to be disciplined and opportunistic with capital allocation to optimize the strength of our managed companies' balance sheets for value creation.

Our Acquisition Strategy

Our acquisition strategy involves acquisition by CompoSecure Holdings and our other managed companies of businesses that we expect will produce stable growth in earnings and cash flows, as well as

achieve attractive returns on capital. In this respect, we expect that CompoSecure Holdings and our other managed companies will make acquisitions in industries that are complementary, adjacent or outside of where their respective initial businesses currently operate, if we believe an acquisition presents an attractive opportunity. We believe that attractive opportunities will increasingly present themselves as private sector owners seek to monetize their interests in longstanding and privately held businesses and large corporate parents seek to dispose of their "non-core" operations. Through our extensive and diverse contacts in the financial, industrial, healthcare, aerospace & defense, technology and general business world, we expect that we will, through our managed companies, become the acquiror of choice for businesses that can benefit from the implementation of the ROS and having long-term strategic stockholders.

Resolute Holdings intends to manage its businesses in perpetuity and utilize the ROS to enhance growth, profitability and realize significant returns for all our stockholders. We believe the strategy of managing businesses in perpetuity is a differentiated characteristic versus traditional asset managers and should lead to higher returns on our invested capital given the reduction of buy-sell friction costs. We expect to further differentiate through the ability to invest prudently during the trough of market cycles to create long-term value. A key component of our strategy is for our managed companies to acquire businesses that can benefit from the operational deployment of the ROS. Key acquisition criteria include:

- Great position in a good industry;
- Healthy organic and inorganic sales growth;
- Clear margin expansion opportunities;
- Stable free cash flow generation;
- Opportunities for high returns on incremental invested capital;
- Point differentiation, ideally through technology; and
- Long-term growth prospects supported by structurally growing end markets;

We expect CompoSecure Holdings and other companies that we manage from time to time will benefit from our ability to identify diverse acquisition opportunities in a variety of industries. The success of our acquisition strategy is predicated on our ability to maintain a robust and proprietary pipeline of potential targets incremental to marketed processes, as well as regular reviews on integration and performance accountability. In addition, we intend to rely upon our management team's extensive expertise in researching and valuing prospective target businesses, as well as negotiating the ultimate acquisition terms of such target businesses. Because there may be a lack of information available about these target businesses, which may make it more difficult to understand or appropriately value such target businesses, we plan to:

- Engage in a substantial level of standardized internal and third-party due diligence regarding an assessment of financials, growth prospects, legal, human resources and environmental issues;
- Critically evaluate the management team to deliver on the go-forward business plan and targeted performance goals;
- Identify and assess any financial and operational strengths and weaknesses of any target business, including potential cost and revenue synergies;
- Analyze comparable businesses to benchmark financial and operational performance relative to industry competitors;
- Actively research and evaluate information on the relevant industry; and
- Thoroughly negotiate appropriate terms and conditions of any acquisitions.

Our Financing Strategy

Our financing objective is to manage the capital structure of CompoSecure Holdings effectively to provide sufficient capital to execute our business strategies and provide financing for investment or acquisition opportunities. We intend to raise capital for additional acquisitions primarily through debt financings, equity financings, the sale of all or a part of existing CompoSecure's businesses or by undertaking a combination of any of the above.

Our Competitive Strengths

We believe that we have several core strengths that underpin and differentiate our operationally focused management strategy relative to traditional asset managers:

- Stable Revenue Base. We intend to generate revenues exclusively from recurring fees payable to us under one or more long-term agreements, including our CompoSecure Management Agreement. The CompoSecure Management Agreement extends for 10 years and auto-renews at the end of its initial 10-year term for successive 10-year terms;
- Scalable Asset Light Operating Model. Our key assets are our people and their relevant domain expertise and knowledge. We do not expect to have material ongoing capital investment needs and expect to generate high returns on invested capital. As our revenue grows, we expect to be able to achieve efficiencies from our scalable operating model, which we expect to lead to attractive operating margins over time;
- Strong Balance Sheet. We expect to have no debt outstanding immediately following the Spin-Off. In the near term immediately following the Spin-Off, Resolute Holdings expects to be marginally profitable as it sets up operations to support the business of CompoSecure. As the business achieves scale, we expect to generate recurring revenues and expect to generate strong and highly predictable cash flows;
- Quality and Depth of Management. Our highly qualified and experienced management team will provide a broad range of functional expertise to the business of CompoSecure. Our senior management has successfully navigated several business cycles in which they have been able to manage businesses to sustain near-term profitability while positioning the businesses to generate long-term stockholder value;
- Alignment of Interests. We believe the structure of the CompoSecure Management Agreement will foster strong alignment of interests between CompoSecure Holdings, Resolute Holdings and the stockholders of both companies; and
- Growth through Strategic Acquisitions. We believe that our experience acquiring and integrating companies will allow us to diversify the customer and business mix of CompoSecure's business in an accretive manner. Our management has experience in successfully executing M&A to reposition companies for long-term success.

Competition

The management industry is highly competitive. We compete on a regional, industry and niche basis based on several factors, including ability to raise capital, opportunities and performance, transaction execution skills, access to and retention of qualified personnel, reputation, range of products, innovation and fees for our services. We expect that Resolute Holdings will compete with many third parties engaged in management activities including publicly traded companies, private companies, insurance companies, commercial and investment banking firms, private equity funds and other investors.

Legal Proceedings

There is no material litigation, arbitration or governmental proceeding currently pending against us or any members of our management team in their capacity as such, and we and the members of our management team have not been subject to any such proceeding in the 12 months preceding the date of this Information Statement.

Employees

At the completion of the Spin-Off, Resolute Holdings will have approximately six employees, domestically and internationally. As described above, we believe that one of our major strengths is the quality and dedication of our people.

Properties

Our principal executive offices consist of leased office space in New York, New York, and we are currently in the process of identifying a larger office space. We do not own any real property.

Emerging Growth Company Status

We are an "emerging growth company," as defined in the JOBS Act, and we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies." These exemptions generally include, but are not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We plan to take advantage of some or all of the reduced regulatory and reporting requirements that will be available to us as long as we qualify as an emerging growth company, except that we have irrevocably elected not to take advantage of the extension of time to comply with new or revised financial accounting standards available under Section 102(b) of the JOBS Act.

We will, in general, remain as an emerging growth company for up to five full fiscal years following the Spin-Off. We would cease to be an emerging growth company and, therefore, become ineligible to rely on the above exemptions if we:

- have more than $1.235 billion in annual revenue in a fiscal year;
- issue more than $1 billion of non-convertible debt during the preceding three-year period; or
- become a "large accelerated filer" as defined in Exchange Act Rule 12b-2, which would occur after: (i) we have filed at least one annual report pursuant to the Exchange Act; (ii) we have been an SEC-reporting company for at least 12 months; and (iii) the market value of our shares of common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter.

Smaller Reporting Company Status

Additionally, we are a "smaller reporting company," as defined by applicable rules of the SEC. As such, we are eligible for exemptions from various reporting requirements applicable to other public companies that are not smaller reporting companies, including, but not limited to, reduced disclosure obligations regarding executive compensation.

We will remain a smaller reporting company as long as either:

- the market value of our shares of common stock held by non-affiliates is less than $250 million; or
- our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our shares of common stock held by non-affiliates is less than $700 million.

THE BUSINESS OF COMPOSECURE

For financial reporting purposes, we are required under U.S. generally accepted accounting principles to consolidate the financial statements of CompoSecure Holdings. Additionally, following the completion of the Spin-Off, our sole source of revenue will be management fees payable to us pursuant to the CompoSecure Management Agreement. Accordingly, the following discussion of the historical business of CompoSecure includes information that may be necessary to an understanding of our business, financial condition and results of operations. CompoSecure operates its business through a subsidiary of CompoSecure Holdings and, accordingly, references in this section to the business and operations of CompoSecure refer to the business and operations of CompoSecure Holdings.

Overview

Founded in 2000, CompoSecure is a technology partner to market leaders, fintechs and consumers enabling trust for millions of people around the globe. CompoSecure's innovative metal payment card technology and Arculus security and authentication capabilities deliver unique, premium branded experiences, enable people to access and use their assets, protect their digital identities and ensure trust at the point of a transaction. CompoSecure's historical business and strategies, which have focused on innovative payments, security, and authentication solutions, are described below. We expect that, following the completion of the Spin-Off, our business and strategy may change, including to focus our strategy on expanding our business profitably through operational improvements, accretive investments and diversifying acquisitions. See the section titled "Our Business" elsewhere in this Information Statement.

Mission and Values

CompoSecure's mission has historically been to combine elegance, simplicity and security to deliver exceptional experiences and peace of mind in the physical and digital world. CompoSecure's values are embodied in the following key concepts:

Key Product Overview

CompoSecure led the creation and growth of the metal card form factor through its expertise in material science and has been at the forefront of emerging embedded payment card technology (*e.g.*, the evolution of "*tap to transact*"). For more than two decades, through its combination of large-scale, advanced manufacturing capabilities and deep technological expertise, CompoSecure has driven key payment card industry innovations in materials science, metal form factor design, dual interface functionality, and security. The distinct value proposition of CompoSecure's products has resulted in widespread adoption by major banks, financial institutions and fintech innovators to support their acquisition and retention of consumer and business card customers. From 2010 through 2023, CompoSecure produced and sold approximately 175 million metal payment cards worldwide (*i.e.*, credit and debit cards issued primarily on one of the Visa, MasterCard, American Express, Discover payment networks). In 2023 alone, CompoSecure provided metal payment card solutions for more than 150 branded and co-branded card programs, totaling approximately 31 million payment cards sold. CompoSecure's metal payment card solutions have generated, and are expected to continue to generate, a significant base of growing, highly profitable revenue. CompoSecure is now accelerating innovation in secure authentication technology solutions with the launch of Arculus (named for the ancient Roman god of safes and strongboxes). Arculus is a digital security platform with broad industry applicability. Through the convenience of a premium metal card, this technology is designed to solve chronic industry and consumer needs for reliable, trusted and secure authentication solutions — moving beyond passwords, as well as providing enhanced security for storage of digital assets. CompoSecure's Arculus technology is designed to transform a metal payment card into a

multifunctional device to support both traditional payments and to act as a '*tap-to-authenticate*' hardware token allowing for passwordless, and hardware-based, multi-factor authentication.

Market Opportunity

Edgar, Dunn and Company, a global financial services and payments consulting firm ("Edgar Dunn"), estimated there were 9.6 billion addressable payment cards in circulation (from a total of over 16 billion) globally in 2023, with 4.8 billion addressable payment cards issued in 2023, and estimates total cards issued will grow to 5.8 billion by 2026. Similarly, McKinsey & Company, a leading management consulting firm, estimates that global payment card revenue is expected to grow 6 to 8 percent annually over the next five years, on pace to exceed $3 trillion by 2027. Ongoing payment card innovations, particularly dual-interface ("contactless" or "tap-to-pay") functionality, are expected to support continued physical card use as compared with other payment approaches.

Payment cards are primarily offered by bank issuers through proprietary issuer brands or as co-branded cards that leverage the brand equity and customer base of co-brand partners. Issuers dedicate significant resources to acquire new customers, retain existing customers and grow customer spend as intense competition drives the need to differentiate their payment card programs. Issuers use advertising and program benefits to attract cardholders and also use brand recognition that relies upon the physical attributes of the payment card itself, including the look, feel and composition of the physical cards.

CompoSecure's metal payment cards offer issuers the opportunity to provide a premium experience to their cardholders as part of a payment card program's overall combination of benefits. Traditional plastic card programs are highly commoditized and have historically relied upon offering benefits such as introductory interest rates, discounts and rewards to win customers. These benefit costs are variable and can be unpredictable. Use of metal payment cards has become an increasingly key differentiator among payment card programs. Relative to traditional program incentives, the cost of a metal payment card is relatively low and predictable, giving card issuers a strong return on investment for premium metal payment cards provided by CompoSecure.

Metal payment cards were initially designed and marketed to payment card issuers targeting relatively small segments of high-net-worth cardholders. Market acceptance within the high-net-worth segment has led issuers to expand their metal payment card offerings to target mass affluent and other customer segments. Issuance of metal payment cards has grown quickly but remains in early phases of adoption globally. With an estimated 2023 global addressable market of 4.8 billion payment cards issued, CompoSecure's total penetration is estimated to be less than 0.7%.

CompoSecure believes the payment card market is undergoing a long-term transformation from plastic to metal card form factors. The following key market dynamics support issuer decisions to add metal payment cards to their programs:

- Based on market survey data collected by Edgar Dunn, consumers globally favor metal form factors as superior to existing plastic cards and have even said they would switch banks to obtain a metal payment card. Technological and manufacturing innovations enable CompoSecure to offer issuers an array of different metal form factors, and added features, with a variety of price points to provide issuers competitive differentiation in their card programs. This range of card offerings is expected to continue to drive adoption of metal payment cards across segments in issuer card portfolios (consumer, small business, corporate, etc.) and card types (credit, debit, loyalty, etc.).
- CompoSecure believes that dual-interface metal payment cards are easier to use than most mobile payment platforms, and that entrenched consumer preference for physical form factors are expected to maintain the role of payment cards in the marketplace notwithstanding the introduction of mobile payment platforms such as Apple Pay® and Google Pay®. It is expected that mobile payment platforms will continue to grow, but not replace physical cards as the dominant transaction model. For example, it has been reported that dual-interface cards are being used five times more often than ApplePay® (up from 3.7 times in 2021) and 2.5 times more than all mobile wallets combined (up from 1.6 times in 2021). Dual-interface cards are more popular among consumers for in-person transactions and online transactions, with one study recently reporting that 80% of consumers preferred using a debit or credit card when buying online.

- Card issuers are considering the adoption of new payment card features, including biometrics, dynamic card verification value ("CVV") and LED display features, among others. The incremental costs of adding these technologies to payment cards favors the use of metal form factors instead of plastic cards. CompoSecure believes metal cards provide a more durable physical housing versus plastic, thus better preserving the integrity and functionality of any added technologies, driving efficiency in issuer acquisition costs.
- Payment cards remain the primary payment instrument at the point of sale. The introduction of dual-interface cards is expected to continue to drive use of physical cards in stores. It has been reported that contactless cards were used in 14% of in-store payments in 2022, twice as much as in 2021. Even with the ongoing global expansion of e-commerce, the need for physical card products is not expected to significantly diminish. After more than two decades of e-commerce activity, it is estimated that less than 16% of total U.S. retail sales in 2023 were completed through e-commerce channels.

CompoSecure's products and services are designed to serve the convergence of large and growing addressable markets supported by increasing business and consumer demand for solutions supporting contactless payments, enhanced security and fraud protection. CompoSecure believes there is a compelling market opportunity to provide payment card issuers, and other existing and prospective metal card clients, secure authentication solutions to meet the growing demand to enhance consumer security, through the use of a premium metal card as a hardware authentication token — *Powered by Arculus*. Today's digital world leaves consumer assets exposed to fraud, hacking and other dangers. Financial institutions, credit card issuers and other businesses are trying to mitigate these dangers, but consumers are faced with antiquated and expensive security solutions that have complicated user experiences, including usernames and passwords which remain at risk for being stolen or otherwise compromised. Based on industry reports:

- Identity fraud losses totaled $43 billion in 2022, including fraud scams to obtain personal information from consumers, affecting 40 million U.S. adults, as reported by Javelin Strategy & Research.
- According to the Identity Theft Resource Center's 2023 Annual Data Breach Report, in 2023, there were 3,205 publicly reported data compromises which impacted an estimated 353 million individuals, representing a 78% increase over the prior year.
- Payment card fraud losses worldwide exceeded $34 billion in 2022, which is a 5% increase over the prior year, per WalletHub.com's industry blog.
- Passwords are often identified as the weak link in cybersecurity, with password security issues accounting for 80% of all data breaches globally in 2022, according to Locker.io's industry blog.
- PMNTS.com, an industry journal, has reported that 68% of consumers want to keep passwords off their mobile app login experience.
- Average call center load related to passwords is 30-50% of total volume, as estimated by SOTI.net's industry blog.
- According to the National Consumer Law Center, the U.S. Federal Bureau of Investigation has reported that an estimated $72 million was stolen through SIM-swap attacks in 2022, marking an increase from $68 million in 2021.
- Worldwide damages from SIM swapping attacks were estimated to be $6.5 billion in 2023 (a type of identity theft in which an attacker gains control of a victim's mobile phone number by transferring it to a new SIM card), more than double the damages reported in 2021 and more than six times the damages reported in 2019, as estimated by an industry blog.
- Statista, a global data and business intelligence firm, has estimated the market for passwordless authentication products and services to be approximately $21.6 billion for 2024, and is estimated to grow to approximately $53.6 billion by 2030.

Security attacks are increasing and represent a growing concern to consumers and industry participants. Use of secure authentication through a hardware token provides a high level of security for passwordless authentication. CompoSecure's Arculus secure authentication solutions are expected to address the growing need for more secure, but frictionless solutions — for payment card issuers, financial institutions and other businesses seeking to improve their consumer experience.

Growth Opportunities

CompoSecure is a high-growth, profitable technology company that has historically focused on innovative payments, security and authentication solutions. CompoSecure has a demonstrated track record of achieving growth in operational scale and financial performance, including:

- Card programs served grew from approximately 60 in 2018 to over 150 in 2023; and
- Metal payment card unit sales grew from 12.6 million in 2018 to about 31 million in 2023.

Even with its long-term track record of growth and leadership in metal payment card solutions, CompoSecure's sales volume of payment cards in 2023 represented less than 0.7% of estimated addressable market for payment cards, indicating substantial opportunity for further penetration of the global payment card market. During 2024, CompoSecure's metal payment card growth activities have been targeted in these primary areas:

Domestic Expansion. In 2023, CompoSecure produced metal payment cards for eight of the top 10 U.S. card issuers. CompoSecure believes there are substantial opportunities to expand adoption of metal form factors for existing client proprietary and co-branded mass affluent card programs in the U.S. which do not currently offer metal payment cards. The number of issuers adopting metal programs continues to increase, and there has been an increase in card issuers expanding their metal card programs to additional proprietary and co-branded portfolios. CompoSecure's marketing and sales activities target opportunities to expand metal card programs for existing customers in the U.S. and to introduce metal form factors to new card issuer clients in the U.S. CompoSecure has expanded its team of direct sales representatives to target growth opportunities in the U.S.

International Expansion. CompoSecure's net sales from non-U.S. metal payment card programs in 2023 totaled $70 million, nearly four times its 2018 net sales of $19 million from non-U.S. programs. CompoSecure believes that issuers in international markets are still in the early stages of adoption of metal form factors and largely untapped opportunities exist across major markets in Europe, Asia, India, the Middle East, and Latin America. In these regions, issuers are developing awareness of the relatively low cost and attractive economics of metal payment card programs. CompoSecure has continued to grow its team of international direct sales representatives and third-party distribution partners to further support growth in markets outside of the U.S.

Fintech Issuers. Innovative new issuers, including digital challenger banks and other emerging fintechs, are increasingly seeking premium physical touch points to enhance their typically digital-only customer relationships. Fintech is a word formed from the combination of "financial" and "technology" and is used to describe new technologies to deliver financial services to help businesses and consumers manage their financial activities.

Technology and Innovation. Since its founding, CompoSecure's growth has been driven by the transformative security and payments technologies it has developed and commercialized for large, mainstream markets. CompoSecure expects to maintain its technological advantages over competitors with consistent research and development activities to drive new and innovative metal form factors and card features, including the Arculus portfolio of secure authentication and digital asset storage solutions, which provide opportunities for expanded revenue and profitability. In addition to new products and revenue opportunities, CompoSecure's research and development team is continually focused on improvements in manufacturing processes to drive efficiency, increase capacity, improve sustainability and reduce waste to support enhanced operating leverage and profitability. CompoSecure's use of 65% post-consumer recycled stainless steel in its metal card products is a major sustainability advantage over plastic cards.

Key Products

CompoSecure is a category leader in the design and manufacture of premium metal payment cards. Its metal payment cards are currently issued typically on the Visa®, Mastercard®, American Express® and China Union Pay® payment networks.

CompoSecure has a track record of more than two decades of pioneering continuous payment card innovation in metal form factors. In 2003, for the American Express® Centurion® program, CompoSecure

created the world's first metal payment card and, in 2009, CompoSecure developed the first commercialized metal payment cards with embedded EMV® chips (EMV is an acronym derived from the names Europay, Mastercard and Visa, and is a high-security payment protocol for payment cards which utilizes an embedded microprocessor that, when paired with an EMV® enabled payment terminal, authenticates cardholder transactions; EMV® cards are often called "chip cards"). In 2010, for the JP Morgan Chase Sapphire Preferred® program, CompoSecure created the first metal payment card targeting the mass affluent segment, significantly expanding the potential number of cardholders that issuers could address with metal payment cards. In 2017, CompoSecure introduced the first large-scale NFC-integrated dual-interface metal payment cards for the American Express® Platinum® program. NFC refers to the near-field communications protocol which enables RFID (*i.e.*, radio-frequency identification) communications between payment cards and payment terminals. Dual-interface payment cards today comprise the majority of CompoSecure's sales volume because of the speed and convenience they offer to cardholders. In 2022, CompoSecure began offering payment cards with Arculus Authenticate and Arculus Cold Storage functionality. CompoSecure has key U.S. and international patents and trade secrets in many facets of metal card form factors and manufacturing processes, including the integration of NFC technology into metal payment cards.

CompoSecure provides its clients customized and highly differentiated financial payment products in order to support and grow the acquisition, retention and spending of cardholders. CompoSecure leverages the latest innovations in security and functionality to provide its clients with payment cards that deliver elevated, premium experiences to cardholders. CompoSecure offers a variety of metal payment cards, at different price points and using an array of metal and metal-polymer hybrid constructions, that allow clients to customize their payment card programs to target specific cardholder segments. CompoSecure's payment cards are tailored to specific client and payment card program requirements. CompoSecure's primary metal form factors include:

Embedded Metal	**Metal Veneer Lite**	**Metal Veneer**	**Full Metal**
Metal core with polymer front and back faces	Metal front with polymer back	Metal front with polymer back	Greatest metal density and weight
Features dual-interface technology	Features dual-interface technology	Features dual-interface technology	Features dual-interface technology
Flexible design options	Weighs approximately 13 grams	Can be engraved	Supports 2D/3D engraved graphics
Weighs approximately 12 grams		Weighs approximately 16 grams	Weighs approximately 21 – 28 grams

Lux Glass™	**Echo Mirror™**	**Ceramic Metal Hybrid**
Uses of Corning® Gorilla® Glass with metal bezel	Buffed stainless-steel	Metal front with polymer back
Durable for heavy use	Mirror-like finish and scratch-resistant coating	Black or white ceramic coating
Elegant look and feel with metal sound	Supports laser/mechanical engraving	Supports laser/mechanical engraving
Weighs approximately 8 grams	Weighs approximately 20 grams	Weighs approximately 20 grams

In addition, as payment card issuers face growing demand for enhanced security and other distinctive features for their card programs, CompoSecure in 2022 began offering its customers the opportunity to include the following new and innovative features in their payment cards:

- **Biometric cards** — This feature adds on-card biometric sensors for added security. CompoSecure offers a fingerprint sensor on the card body so that the card can only be used at point-of-sale by the cardholder who has enrolled their unique fingerprint to the card, which is stored in the chip module in the card.
- **Dynamic CVV** — Adding dynamic CVV technology to metal cards as an additional security feature converts the 3-digit CVV code from a static number printed on the back of the card to one on a tiny e-ink screen that refreshes periodically. As the cardholder must physically possess the card to have

all the necessary information to make a purchase, this technology aims to fight the $32 billion payment card fraud crisis facing the credit card industry.

- **LED** — This feature can be added to CompoSecure's Metal Veneer cards, enabling the issuing bank logo (or other elements) on the face of the card to light up with LEDs when a contactless transaction is initiated at the point of sale.

Arculus Business Solutions: CompoSecure's Arculus technology is designed to transform a payment card into a multifunctional device to support both traditional payments and to act as a '*tap-to-authenticate*' hardware token allowing for passwordless and hardware-based multi-factor authentication. Leveraging a familiar form factor (payment card) as an authentication key allows for a frictionless user experience, delivers improved security, and continues to enhance the brand for card issuers and co-brand partners. The Arculus Business Solutions offer customizable security features that can be seamlessly integrated into CompoSecure's premium metal cards to drive consumer acquisition for CompoSecure's clients and a high-quality experience for their consumers. CompoSecure believes its Arculus technology elevates the digital security experience for consumers by seamlessly integrating secure authentication and/or cold storage capabilities into their everyday wallets.

CompoSecure's primary Arculus Business Solutions are:

- **Payments + Arculus Authenticate** — The Arculus Authenticate solutions can be seamlessly integrated and paired with CompoSecure's payment cards, allowing consumers to make secure transactions and gain secure access to personal accounts, all from the same metal card. This custom security solution enables card issuers and other businesses to build multi-factor authentication solutions for their customers, through the convenience of CompoSecure's premium metal cards — *Powered by Arculus*. Arculus Authenticate is a customizable feature designed to fit into each client's information technology infrastructure with ease, enabling them to meet the specific needs of their customers. With over 24 billion passwords exposed by hackers in 2022 alone, Arculus Authenticate provides a more secure option for businesses and their customers, offering a best-in-class, passwordless and hardware-based, secure authentication experience. The Arculus Authenticate solutions are FIDO2 certified, and CompoSecure has obtained approval by Mastercard and Visa to produce metal payment cards with authentication capabilities. FIDO2 refers to Fast Identity Online, a technology which enables users to leverage common devices to easily authenticate to online services in both mobile and desktop environments. The Arculus Authenticate solutions allow clients to generate and store their FIDO2 security key on a custom-branded metal card, rather than a clunky and generic USB dongle or other hardware token, resulting in a smooth customer experience and increased brand loyalty with each *tap-to-authenticate* interaction.
- **White-Labeled Cold Storage** — CompoSecure provides white-labeled cold storage wallets in the form of a premium metal cards, to give consumers the ability to make transactions and store the private keys to their digital assets in the same metal cards. The Arculus Cold Storage solutions work across exchanges, marketplaces and platforms to bring convenience into the world of self-custody — allowing consumers to simply and securely access their digital assets.
- **Payments + Arculus Cold Storage** — CompoSecure provides the combination of Arculus Cold Storage combined in premium metal payment cards to give consumers the ability to make transactions and store the private keys to their digital assets in the same metal cards. The Arculus Cold Storage solutions work across exchanges, marketplaces and platforms to bring convenience into the world of self-custody — allowing consumers to simply and securely access their digital assets. As digital assets try to establish their value in the world, card issuers offering metal payment cards featuring Arculus Cold Storage signal a future-forward mindset to their customers. The Arculus Cold Storage solutions can integrate directly into existing card issuer infrastructures. Arculus technology is built to fit with and promote client branding. From white-labeled mobile applications to custom metal cards, Arculus provides secure solutions that amplify client brands into their consumer's everyday wallets.
- **Payments + Arculus Authenticate + Arculus Cold Storage** — CompoSecure also offers combined its Arculus Authenticate solutions and Arculus Cold Storage solutions to enable card issuers and other

businesses to build multi-factor authentication solutions for their customers and offer consumers the ability to make transactions and store the private keys to their digital assets — all on the same metal cards.

Consumer Products: For consumers, CompoSecure launched Arculus in October 2021 with the introduction of the Arculus Cold Storage Wallet for simple and secure storage of digital assets for consumers. The Arculus Cold Storage Wallet, is a revolutionary cold storage wallet for securing digital assets. The risk of loss of valuable assets by consumers and other industry participants is driving the need for more advanced security solutions to protect these digital assets against fraud and theft. It is estimated that about $1.7 billion of cryptocurrencies was stolen in 2023 with the number of individual hacking incidents growing from 219 in 2022 to 231 in 2023. CompoSecure believes the use of the Arculus Cold Storage Wallet could substantially reduce the risk of catastrophic loss of valuable assets. Wallets enable users to access and monitor their digital assets and initiate transactions. Hot storage wallets generate and store private and public keys and digitally sign transactions within internet-connected devices where storage of the keys is hosted by a third-party custodian. For example, digital asset exchanges today typically provide their customers hot storage wallets with the exchange having custody of the user's private keys (which refers to codes needed for a user to access their digital assets). By contrast, cold storage wallets store private keys in the custody of the user, eliminating custodial-based security vulnerabilities. Though typically more convenient for day-to-day transaction activity than cold storage, hot storage wallets are more prone to risk of fraud and cyber-theft, as well as the risk of bankruptcy, withdrawal freezes and other liquidity risks of hot storage wallet operators. Even in light of the recent turmoil in the digital asset markets, CompoSecure believes digital assets will continue to have a significant impact on new global financial and security frameworks and will present significant monetization opportunities. Crypto.com reported that global cryptocurrency users increased 34% in 2023 from 423 million in January 2023 to 580 million in December 2023. Statista reported 6 million cryptocurrency wallets (inclusive of hot and cold storage) at year-end 2016. This figure grew to an estimated 92 million by year-end 2023. The cold storage market is nascent but projected to grow rapidly, as consumers increasingly seek out enhanced security for storage of their digital assets and look to maintain custody of their private keys.

Arculus protects digital assets with a secure and convenient metal card and mobile application, giving the user control of their private keys. The Arculus Cold Storage Wallet utilizes a three-factor authentication solution, comprising (i) a biometric feature found on the vast majority of mobile devices, requiring the physical presence of the registered user — *something you are*, (ii) a personal identification number, or PIN, which is stored in the secure element of the card — *something you know*, and (iii) possession of the metal card itself and presentation of that card to the mobile device using the Arculus mobile application — *something you have*. The card is a premium metal card with a chip module and antenna used to enable the card to communicate with a smart phone or similar NFC-enabled device operating the Arculus mobile application for "*tap-to-transact*" functionality. By simply tapping the card to the back of the phone, the user can digitally sign transactions with their private keys, which are generated using advanced cryptography and stored on the card. The companion mobile application is available as a free download on the Apple Store® and Google Play® store. The Arculus metal card was designed, and is manufactured, by CompoSecure at its existing manufacturing facilities.

The Arculus Cold Storage Wallet allows users to easily and securely buy and swap digital assets, providing the convenience of hot storage with the security of cold storage. Commercial sales of the Arculus Cold Storage wallet commenced in the fourth quarter of 2021. Compared with existing cold storage wallet products available in the market, the Arculus Cold Storage Wallet offers a secure, user-friendly and feature-rich solution that utilizes CompoSecure's expertise in NFC-integrated metal card design and production. In 2022, the Arculus Cold Storage Wallet was recognized by ABI Research, an independent industry research firm, as the most innovative cold storage hardware wallet in the industry. The Arculus Cold Storage wallet supports specific digital assets, including Bitcoin, Ethereum, non-fungible tokens (NFTs) and others, and CompoSecure plans to increase the number and type of digital assets supported.

To CompoSecure's knowledge, the following features of the Arculus Cold Storage Wallet are unique in the industry as such features are not currently available in the wallet offerings of CompoSecure's primary competitors:

- **Cold Storage**: Private keys remain in an offline environment kept in a metal card using a CC EAL 6 secure element (which refers to Common Criteria Evaluation Assurance Level 6, an international standard, which is used to evaluate the security implementation in information technology software and hardware).
- **Three-Factor Authentication**: Advanced security across: (1) biometric (i.e., fingerprint and/or facial recognition); (2) personal identification number (PIN); and (3) NFC connection with the Arculus card.
- **Innovative Form Factor**: Digital asset key storage solution contained in a slim, metal card form factor, which does not require a battery or charging, offering a premium user experience and heightened hardware protection through an easy-to-use, NFC connection ("*tap-to-transact*").
- **Fully Featured Mobile Application**: Easily send, receive, purchase and swap digital assets.

CompoSecure has arrangements in place with third-party liquidity partners to provide Arculus customers with digital asset purchase and/or swap transactions. In addition, Arculus customers can effect peer-to-peer/send & receive transfers using the Arculus Cold Storage Wallet and three-factor authentication technology, providing the end user significantly more protection against theft, fraud and hacking as compared to the use of custodial hot storage.

Competitive Strengths

As a pioneer in payments and security technology, CompoSecure possesses key competitive differentiators it has historically leveraged to expand its leadership position in metal payment card solutions and in commercializing Arculus secure authentication and digital asset storage solutions. These differentiators include:

Innovation. CompoSecure has been a leader and innovator for decades in the payment cards industry, including the first metal payment card (2003), the first mass affluent metal payment card (2010), the first metal "*tap-to-pay*" credit card (2016), the first metal NFC-enabled cold storage hardware device (2021), the first metal NFC-enabled hardware authentication token (2022), and a pipeline of new product features including LED display features, biometric security features, glass and mirror-finish payment card constructions, dynamic CVV, and product and solution expansion planned for the Arculus platform. In addition to new products and revenue opportunities, CompoSecure's research and development efforts have been focused on improvements in manufacturing processes to improve efficiency, increase capacity, improve sustainability and reduce waste to support enhanced operating leverage and profitability.

Embedded Client Relationships. CompoSecure has been serving its two largest clients, American Express and JP Morgan Chase, for nearly 16 years, building strong relationships with key personnel. For these major and numerous other clients, CompoSecure has produced metal payment cards for over 150 card programs, including issuer proprietary and co-branded programs. CompoSecure has also steadily grown the number of customers it serves, increasing from approximately 30 in 2016 to more than 125 in 2023.

Scale. In 2023, CompoSecure produced approximately 31 million metal payment cards. Leveraging its manufacturing and support facilities in Somerset, New Jersey, CompoSecure has developed the ability to provide volume and quality at a scale CompoSecure believes is much larger than current metal payment card competitors' existing metal card output. CompoSecure believes that its ability to produce metal payment card volume and quality at scale is critical to the success of very large payment card programs, while also driving manufacturing efficiencies and related cost advantages. In addition, CompoSecure has separate manufacturing operations designed to optimize smaller quantity production runs for pilot or specialized card programs.

Patents and Trade Secrets. Leveraging its decades of experience, CompoSecure has developed extensive trade secrets in creating graphic effects on metal cards, heavily customized equipment and machinery and proprietary coatings, as well as the knowledge and ability to blend various metals and polymers to create unique composites. CompoSecure has a strong focus on protecting its proprietary intellectual property. As of November 1, 2024, CompoSecure had 64 U.S. and foreign (utility and design) patents issued, 28 U.S. and foreign (utility and design) patent applications pending and new technologies

under development. CompoSecure expects to continue to develop innovations for payment card form factor design, components and manufacturing methods, many of which are reflected in patent applications, which may also include further technological innovations for the Arculus platform.

Clients

CompoSecure maintains trusted, highly embedded and long-term customer relationships with an expanding set of global issuers. CompoSecure has developed long-term relationships with its largest customers, including nearly 20 years with American Express and nearly 16 years with JP Morgan Chase, across multiple RFP cycles with both companies.

CompoSecure believes that the value proposition of CompoSecure's premium metal payment cards supports card issuers' acquisition and retention of consumer and business card customers. For each of its largest issuer relationships, CompoSecure serves numerous distinct issuer-branded and co-branded card programs, diversifying CompoSecure's revenues even within individual clients.

For example, CompoSecure supports the following proprietary and co-branded programs:

Issuer/Reseller	**JPMorgan Chase**	**American Express**
Proprietary Programs	Sapphire Preferred®	Centurion®
	Sapphire Reserve®	Platinum®
	JPM Reserve®	Gold®
	Ink®	
Co-Branded Programs	Amazon Prime®	Amazon Prime Business®
	Whole Foods®	Marriott®
	United®	Delta®
	Marriott®	Air Canada
	Hyatt Business®	
	Disney®	

These card portfolios have created recurring revenue streams driven by issuer demand for CompoSecure's metal payment cards to support new customer acquisition and replacement card activity for lost and stolen cards, account fraud and natural card reissuance cycles that occur each year.

As payment card issuers seek ways to drive differentiation in their market, CompoSecure's premium metal payment cards have become a key component of its clients' customer-facing marketing messages. Moreover, issuers who do not offer a premium card product are increasingly realizing that they risk losing market share.

CompoSecure and its major clients have entered into multi-year master agreements which provide general terms and conditions. These clients then typically provide single-order, blanket-order and/or multi-year statements of work which set forth prices and quantities of payment cards. For most other clients, the relationship is governed by individual purchase orders instead of master agreements.

CompoSecure's largest clients are American Express and JP Morgan Chase. Together these clients represented 70.5% (or individually, approximately 28.8% and 41.7%, respectively) of CompoSecure's net sales for the year ended December 31, 2023, and 67.3% (or individually, approximately 34.7% and 32.6%, respectively) of its net sales for the year ended December 31, 2022.

The current statement of work issued pursuant to CompoSecure's master services agreement with American Express (the "Amex Agreement") was extended during 2023, and will be up for renewal on July 31, 2026. Typically, CompoSecure renews such client agreements upon their expiration in the ordinary course of business. Under the Amex Agreement, American Express reserves annual capacity of products and is required to order a certain percentage of that capacity from CompoSecure, and CompoSecure may charge American Express for a portion of that capacity even if American Express orders below capacity for

any given year. Subject to compliance by American Express with any existing purchase commitments and in line with industry common practice, American Express may terminate the Amex Agreement (i) for convenience pursuant to written notice or (ii) for cause if CompoSecure commits a material breach and does not remedy it within a prescribed time period. CompoSecure may terminate the Amex Agreement if American Express does not make required payments, and does not remedy the non-payment within a prescribed time period. In addition, subject to compliance by American Express with any existing purchase commitments, American Express may terminate individual orders entered into under the Amex Agreement with prior written notice.

CompoSecure's master service agreement and related statement of work with JP Morgan Chase (the "Chase Agreement") was extended during 2023, and will be up for renewal on December 31, 2028. Typically, CompoSecure renews such client agreements upon their expiration in the ordinary course of business. Under the Chase Agreement, JP Morgan Chase agreed to purchase its metal payment cards only from CompoSecure during the term of the Chase Agreement. Under the Chase Agreement, JP Morgan Chase reserves annual capacity of products. Subject to compliance by JP Morgan Chase with any purchase commitments to CompoSecure and in line with industry common practice, JP Morgan Chase may terminate the Chase Agreement (i) for convenience pursuant to written notice or (ii) if CompoSecure commits a material breach and does not remedy it within a prescribed time period. CompoSecure may terminate the Chase Agreement if JP Morgan Chase does not make required payments, and does not remedy the non-payment within a prescribed time period.

Sales and Marketing

CompoSecure markets and sells its metal payment card products to U.S. and international card issuers, as well as distributors and resellers, primarily for international card markets. Sales activities are designed to develop and foster deep relationships with key payment cards issuers throughout the world. Through these activities, CompoSecure works to strengthen relationships and expand metal payment card programs with existing clients and to identify and complete sales to new clients. CompoSecure has two primary sales channels, as follows:

Direct Sales. CompoSecure has direct sales representatives in the U.S., Europe, Asia and South America, supported by client relationship managers and solutions architects. CompoSecure establishes direct engagement between its sales team and issuers in various regions across the world, with success driven by an iterative and collaborative process. CompoSecure's sales team focuses on issuer portfolios on a program-by-program basis.

Indirect Sales. CompoSecure has been expanding its relationships with a variety of card ecosystem partners, such as plastic card manufacturers and personalization partners throughout the world. Personalization is the process of encoding, programming and printing, embossing or laser engraving a payment card with the cardholder's name, account number and other information. These relationships enable CompoSecure to reach more card issuers, some of whom prefer to run all card purchasing through their existing relationships. Distribution partners are able to offer their customers a broader range of card form factors and special features, bringing CompoSecure into a sales process as the metal payment card expert, as well as the secure authentication and digital asset storage solutions expert. CompoSecure's distribution partners operate global sales teams. In these relationships, CompoSecure typically sells its metal payment cards to its distribution partners at a wholesale price and the distributor then resells the cards to its customers, typically on an integrated basis with the distributor's personalization, fulfillment and other card-related services (with prices to their customers under the sole control of the distribution partner). CompoSecure also uses a variety of marketing communications, including conferences and trade show attendance, print and digital advertisements and social media marketing, targeted at card issuers and consumers, and designed to demonstrate and expand the demand for metal payment cards.

Business-to-Business Sales. CompoSecure targets marketing and sales of its Arculus Business Solutions to existing payment card issuer clients and their co-brand partners, as well as other traditional financial institutions, fintech companies, digital asset exchanges and other businesses. For example, CompoSecure offers a partner-branded (or "white-labeled") version of the Arculus Authenticate and the Arculus Cold Storage solutions, as well as other Arculus products and/or services. CompoSecure believes this model solves the client's need to provide their consumers enhanced security. CompoSecure believes these

targeted sales and marketing activities will drive the Arculus portfolio of solutions to consumers through a variety of channels, while also diversifying the Arculus revenue streams into a combination of hardware sales and recurring revenues from transaction processing fees, subscription fees and licensing fees.

Business-to-Consumer Sales. CompoSecure's direct-to-consumer strategy expects to generate sales via the Internet, physical retail and other channels. CompoSecure's online direct-to-consumer strategy includes selling products through its own Arculus-branded e-commerce website, as well as other internet distribution channels, including Amazon.com®, Walmart.com®, NewEgg.com® and other online distributors.

Competition

The market for payment cards is highly competitive. CompoSecure competes with providers of other incentives and initiatives, including rewards programs and traditional plastic card manufacturers. CompoSecure also competes with several other manufacturers of cards containing some metal. However, most of CompoSecure's competitors in card manufacturing are large, diversified businesses with areas of strategic focus outside of the payment cards market, and their card operations focus primarily on lower margin plastic card manufacturing. CompoSecure believes that most competitive metal card manufacturers have substantially less production capacity, less technical expertise in the metal form factor, a limited selection of metal card designs and constructions and less extensive supplier relationships for the raw materials needed for metal cards. CompoSecure's metal card products compete with other card manufacturers, including Idemia France S.A.S., Thales DIS France SA, CPI Card Group, Giesecke & Devrient GmbH, Federal Card Systems, Kona I, BioSmart Co., Ltd. and ICK International.

Competitive factors in selling metal payment cards include primarily product quality, the ability to manufacture high volumes of cards, the ability to deliver finished cards on fixed schedules enabling card issuers (and their personalization partners) to meet consumer demand for metal payment cards, the range of products offered, innovation in metal form factor design and construction and technological innovation to enhance the cardholder experience, product features and price. CompoSecure competes favorably across all of these factors, in the following ways:

- CompoSecure is the pioneer and market leader in production of metal payment cards, with over two decades of experience in designing and manufacturing metal payment cards to meet the needs of large card issuers and brands, and maintains its leadership of bringing innovation to the payment card marketplace.
- CompoSecure has the facilities, personnel, manufacturing equipment, and processes to manufacture metal payment cards at scale while maintaining high-quality standards.
- CompoSecure has developed valuable relationships with clients, raw material suppliers, personalization partners, distributors and equipment manufacturers.
- CompoSecure maintains long-term contracts with its largest clients, which are also some of the largest card issuers in the world, across a diversified portfolio of proprietary and co-brand payment card programs.

The market for digital security, authentication and digital asset storage products and services is highly fragmented today. CompoSecure's Arculus Business Solutions compete for business sales with other providers of security, authentication and digital asset storage products and services. CompoSecure offerings of Arculus Authenticate and Arculus Cold Storage, and its ability to combine payment cards with secure authentication and digital asset storage solutions, positions CompoSecure to address a specific, growing need of payment card issuers, fintechs and other businesses seeking to enhance their customers' security. CompoSecure's primary competitor in the secure authentication solutions market is Yubikey®, which is a stand-alone hardware device typically connected to a computer for authentication functionality.

The market for cold storage is highly competitive. Presently, most cold storage wallets are sold directly to consumers, and CompoSecure faces competition from existing products and potential new product launches from existing storage businesses and new entrants. However, most of CompoSecure's competitors in the cold storage wallet market do not presently offer products and services with the range of security features and enhanced user interface/user experience of the Arculus Cold Storage Wallet. CompoSecure's

primary competitors in the cold storage wallet market include Ledger SAS, Trezor®, CoolWallets®, KeepKey®, ColdcardTM, BitBox®, BalletTM, and Ellipal®, among others.

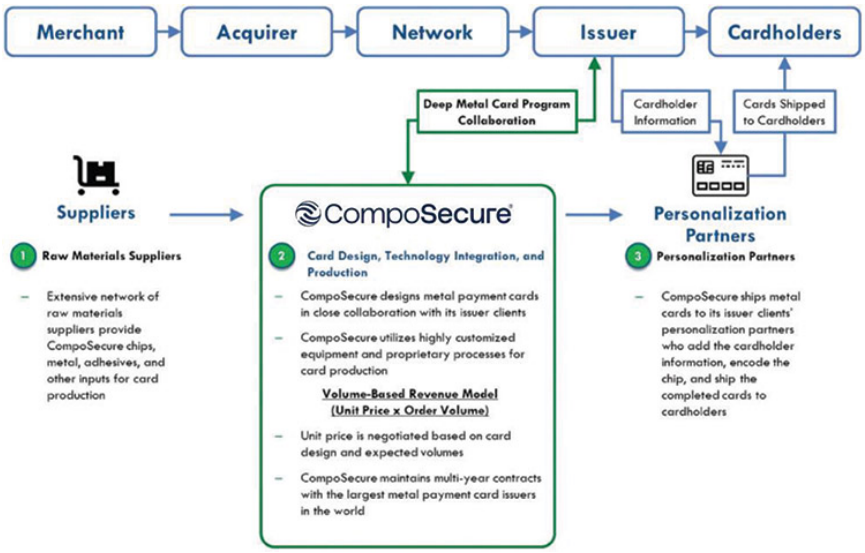
Cold storage wallets also compete as a category of products against hot storage wallets to serve digital asset holders. Hot storage wallets generate and store private keys and public keys and digitally sign transactions within internet-connected devices where a digital asset holder's private keys are under the custody of a third party, typically in a cloud-based, hosted environment that may be vulnerable to cyber-theft. Consumers are increasingly shifting to self-custody of their private keys via cold storage wallets for the enhanced security benefits. Further, CompoSecure also believes that its Arculus Cold Storage Wallet delivers a cold storage solution that eliminates much of the user experience friction historically associated with competing legacy cold storage wallet products. CompoSecure provides a physical, branded touchpoint through the sleek metal card that CompoSecure believes will be preferred by financial institutions and other branded stakeholders in the market for digital assets over less tangible, digital-only hot storage Wallets. Hot storage wallets and related solutions include wallets typically provided by digital asset exchanges to their customers and the related backend software solutions enabling hot storage wallets.

Manufacturing

CompoSecure designs and manufactures its metal payment cards using highly specialized equipment, significantly modified to meet CompoSecure's particular production methods and card constructions. CompoSecure's engineers have designed and implemented proprietary equipment modifications, process automation and efficiency initiatives to drive significant improvements in manufacturing scale and productivity. The rollout of these initiatives is an ongoing process and continues with an increased focus on automation throughout the manufacturing process, which is expected to result in further improvements in manufacturing yields and labor efficiency, enabling CompoSecure to meet client demand and withstand competitive pricing pressures. CompoSecure's research and development personnel bring substantial expertise in material science enabling CompoSecure to design and produce difficult-to-replicate metal form factors, and to be a leader in technological innovations for payment cards.

Payment cards require high security throughout the manufacturing process, and CompoSecure maintains extensive policies, procedures and staff to assure compliance with the payment card industry security standards, payment network and client requirements.

CompoSecure's manufacturing operations are designed to meet the needs of its diverse range of client payment card programs. The following diagram demonstrates CompoSecure's role in the payment card marketplace:



CompoSecure leases an aggregate of approximately 241,000 square feet in five (5) facilities, all located in Somerset, New Jersey (U.S.A.), enabling CompoSecure to manufacture its products on an integrated basis across its facilities. CompoSecure uses high-security ground freight (such as armored vehicles) for delivery of finished payment cards to CompoSecure's clients or, more frequently, directly to personalization partners selected by CompoSecure's clients. Personalization partners provide cardholder personalization and fulfillment services.

Supply Chain

CompoSecure has developed and maintains a valuable and extensive network of suppliers, which provide CompoSecure with EMV chips, various types of metal, adhesives, signature panels, magnetic stripes, payment network logos (including holographic) and other materials for payment card production. CompoSecure believes that the raw materials needed to produce its payment card products are available from multiple sources at reasonable prices In light of recent chip shortages, CompoSecure has established a multi-year purchase commitment with one of its EMV chip suppliers. As a result, CompoSecure presently does not anticipate any raw materials shortages. CompoSecure obtains its raw materials from suppliers located in the U.S., Japan, China, Italy and France. Primary suppliers for EMV chips are leading semiconductor manufacturers. CompoSecure maintains constant vigilance concerning supply chain risks and evaluates alternate suppliers to assure availability, quality, performance, service, price and other features.

Research and Development & Intellectual Property

CompoSecure's research and development team comprises material scientists, engineers and technicians devoted to the invention and development of new metal form factors, card features, secure authentication and digital asset storage technology and applications. The work of the research and development team is then made available by CompoSecure's sales team to its existing and new customers, and rapidly deployed into CompoSecure's manufacturing operations for production of customer orders.

CompoSecure has extensive and global intellectual property rights, such as design and utility patents and patent applications, trade secrets, confidential information, trademarks, service marks, trade names and copyrights. CompoSecure also maintains licensed rights to certain manufacturing technology relating to dual-interface antennae, and may, from time to time, enter into similar commercial agreements if needed or desirable for its manufacturing operations.

CompoSecure relies on a combination of registered (such as patents, trademarks, service marks, etc.) and unregistered (such as trade secrets, confidential information, etc.) programs for its intellectual property protection throughout the world. As of November 1, 2024, CompoSecure had 64 U.S. and foreign patents issued, 28 pending U.S. and foreign patent applications, 26 families of U.S. and foreign trademarks/service marks registered and/or applied for across 30 jurisdictions. CompoSecure's 39 distinct utility patent families have an average remaining lifetime of over 10 years (of their 20-year terms from filing date, assuming eventual grant and all annuities paid); its eight design patent families have an average 74% of their remaining lifetime remaining (of 10- to 25-year terms, depending upon jurisdiction), and its registered trademarks/service marks have 10-year terms renewable indefinitely with ongoing use. CompoSecure expects to continue to develop innovations for payment card form factor design, features, components and manufacturing methods, as well as secure authentication and digital asset storage solutions, many of which are reflected in patent applications.

Government Regulations

The payments industry is generally subject to extensive government regulation — both in the United States and internationally (where its products are sold, including in the UK, the EU and Asia) — and any new laws and regulations, or industry standards or revisions made to existing laws, regulations or industry standards (or changes in interpretations or enforcement) affecting the payments industry may materially or adversely affect CompoSecure's business.

As a metal card supplier, CompoSecure has obtained and maintains certifications from the payment networks enabling CompoSecure to manufacture payment cards that operate on their networks. payment network certification requires compliance with the payment card industry security standards for physical card

characteristics and for card manufacturing operations and facilities. The payment networks and their member financial institutions routinely update, generally expand and modify applicable requirements. Any changes in payment network rules or standards that increase the cost of doing business or limit CompoSecure's ability to manufacture payment cards that operate on their networks may adversely affect the results of operations of CompoSecure's business. CompoSecure is required to submit to periodic audits, self-assessments or other assessments of its compliance with the payment card industry security standards. CompoSecure has maintained payment network certifications for many years and believes that it can continue to renew such certifications. CompoSecure also recognizes that the expensive and complex certification process, and the operational compliance required to obtain and maintain certification, acts as a significant barrier to new businesses seeking to enter the payment cards market.

CompoSecure ships certain of its products to customers (or their personalization partners) located in the UK, the EU, India, Asia, the Middle East and Australia. In connection with such shipments, CompoSecure is sometimes required to comply with import regulations and related procedures. In addition, the products which CompoSecure ships to non-U.S. locations are designed and manufactured to comply with the requirements of the payment networks located in those locations, including American Express, Visa, MasterCard and JCB, among others.

In addition, CompoSecure is prohibited from doing business with individuals, entities, countries, and territories that are targets of economic or trade sanctions that the U.S. Department of the Treasury's Office of Foreign Assets Controls ("OFAC"), the U.S. Department of Commerce's Bureau of Industry and Security, and various foreign authorities administer or enforce. If CompoSecure's compliance programs are found to be deficient, it could lose key relationships with clients or their personalization partners. Fines or penalties for violations of these rules may be severe and efforts to remediate any violations issues may be costly, may result in diversion of management and staff time and effort, and may still not guarantee compliance.

CompoSecure's metal payment card fabrication business does not receive any cardholder personally identifiable information, as that information is handled directly by CompoSecure's clients or their personalization partners. As a result, CompoSecure's payment card operations are not directly subject to compliance with federal, state and foreign privacy statutes and regulations relating to protection of such information.

Digital assets are recent technological innovations, and the regulatory schemes to which these digital assets may be subject have not been fully explored or developed. Regulation of digital assets varies from country to country as well as within countries. In some cases, existing laws have been interpreted to apply to digital assets, while in other cases, jurisdictions have adopted laws, regulations or directives that specifically affect digital assets, and some jurisdictions have not taken any regulatory stance on digital assets and or have expressly declined to apply regulation. Accordingly, there is no clear regulatory framework applicable to CompoSecure's Arculus Cold Storage Wallet, or to digital assets, and laws that do apply at times may overlap.

Other than customary consumer marketing rules, CompoSecure believes that, currently, there is no single uniformly applicable U.S. or international legal or regulatory regime governing its Arculus Cold Storage Wallet products. However, it is possible that governments in the U.S. and other jurisdictions may apply existing laws and regulations, or enact new regulations applicable to, Arculus Cold Storage Wallet products and activities.

Recent adverse market events in the digital asset space have led to increased attention and scrutiny by regulators, legislators and market participants alike. These market events include, among other things, the high-profile bankruptcies and insolvencies of several well-known digital asset-focused entities, most notably FTX and its affiliates, as well as litigation and regulatory enforcement actions. In addition, bankruptcy and other courts are and will be faced with novel questions, including concerning the ownership of digital assets held by custodians, the enforceability of customer terms and conditions and the priority of creditors. For those reasons, if new laws governing digital assets are adopted, it is possible that they will require greater transparency and disclosure and that they will become more restrictive, rather than more liberal or flexible, to market activities. In addition to new civil and criminal enforcement actions by U.S. regulators, developments in ongoing enforcement-related litigation could have a material effect on the U.S. regulatory treatment of digital assets.

It is possible that such regulatory initiatives could have an impact on cold storage wallets which facilitate transactions in digital assets, such as the Arculus Cold Storage Wallet. CompoSecure expects that support for storage and peer-to-peer transfers, as well as support for purchase and swap transactions may, in the future, include additional or exclude previously supported digital assets. CompoSecure's decisions on whether to support purchase and swap transactions in particular digital assets will be based on a combination of consumer demand, technical integration capabilities, regulatory compliance, third-party partner capabilities and management discretion. There is substantial regulatory uncertainty concerning whether certain digital assets may be deemed "securities." Digital assets determined to be securities under applicable laws would subject such assets to the regulatory framework of such laws, including (among others) registration requirements for the securities and licensing or registration requirements for businesses that trade in such securities. In order to determine whether a particular digital asset is a security prior to supporting purchase and swap transactions on the Arculus Cold Storage Wallet in such digital asset, CompoSecure relies upon legal and regulatory analysis of legal counsel with expertise in the digital asset industry. CompoSecure does not believe the storage and peer-to-peer/send & receive functionality provided by the Arculus Cold Storage Wallet involves purchases, sales or other transactions effected by CompoSecure (or any party other than the sender and the recipient). Further, CompoSecure is not compensated for such user-directed activities. However, it is possible that regulators may determine that user-directed peer-to-peer transfers using the Arculus Cold Storage Wallet would require registration and compliance with broker-dealer and/or securities exchange regulations. If CompoSecure is found to be in violation of the federal securities laws, CompoSecure could be subject to significant monetary penalties, censure or other actions that may have a material and adverse effect on CompoSecure.

CompoSecure does not presently buy, swap or exchange digital assets for its Arculus Cold Storage Wallet customers. Instead, all purchase and swap transactions by consumers using the Arculus Cold Storage Wallet are presently executed between the consumer and one or more third-party partners. To the extent digital assets are designated by regulators as securities or commodities, CompoSecure may need to partner with third-party registered securities or commodities brokers or dealers, or exchanges, to facilitate purchase and swap transactions by Arculus Cold Storage Wallet customers. If CompoSecure is not able to obtain such partnering arrangements or if a regulator determines that such partnering arrangements, standing alone, do not relieve CompoSecure of an independent licensing obligation, and if CompoSecure does not itself register as a broker, dealer or exchange, the inability to support purchase and swap transactions in such digital assets could have a material adverse effect on CompoSecure's business, financial condition and results of operations.

It is possible that any jurisdiction may, in the near or distant future, adopt laws, regulations, interpretations, policies, rules or guidance directly or indirectly affecting a digital asset network, generally, or restricting the right to acquire, own, hold, sell, convert, trade or use digital assets, or to exchange digital assets for either fiat currency or other virtual currency.

As digital assets have grown in both popularity and market size, the U.S. Congress and a number of U.S. federal and state agencies, including FinCEN, have been examining the operations of digital asset networks, with particular focus on the extent to which digital assets can be used to launder the proceeds of illegal activities or fund criminal or terrorist enterprises and the safety and soundness of exchanges or other service providers that take custody of digital assets for users. Many of these state and federal agencies have issued consumer advisories regarding the risks posed to investors in digital assets. In addition, federal and state agencies, and other regulatory bodies in other countries have issued rules or guidance about the treatment of digital asset transactions or requirements for businesses engaged in digital asset activity. Additionally, U.S. state and federal, and foreign regulators and legislatures have taken action against digital asset businesses or enacted restrictive regimes in response to adverse publicity arising from hacks, consumer harm or criminal activity stemming from digital asset activity with respect to digital assets. Accordingly, government authorities may engage in future actions that interpret existing laws and regulations, or propose new ones, to regulate certain wallet providers as intermediaries in digital asset transactions. In addition, governments or regulatory authorities may impose new or additional licensing, registration or other compliance requirements on participants in the digital asset industry, which may include CompoSecure's present or future Arculus Cold Storage Wallet activities. For an additional discussion of regulatory risks related to future government actions, please see "Risk Factors — Risks Related to the Business of CompoSecure — Regulatory changes or actions may restrict the use of the Arculus Cold Storage Wallet or

digital assets in a manner that adversely affects CompoSecure's business, prospects or operations." These ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the nature of an investment in digital asset derivatives and/or the ability of the Arculus Cold Storage Wallet to continue to operate.

Various foreign jurisdictions may adopt policies, laws, regulations or directives that affect digital assets or a digital asset network, generally. The effect of any existing regulation or future regulatory change on the Arculus Cold Storage Wallet or digital assets is impossible to predict, but such change could be substantial and adverse to the Arculus Cold Storage Wallet. Various foreign jurisdictions have, and may continue to in the near future, adopt laws, regulations or directives that affect digital assets, particularly with respect to digital asset exchanges and service providers that fall within such jurisdictions' regulatory scope. Such laws, regulations or directives may conflict with those of the United States and may negatively impact the acceptance of digital assets by users, merchants and service providers outside the United States and may therefore impede the growth or sustainability of the digital asset economy in these jurisdictions as well as in the United States and elsewhere, or otherwise negatively affect the value of digital assets.

Positively Impacting CompoSecure's Environment and Community

To solidify CompoSecure's long-standing commitment to making sustainable choices, in 2022 and 2023, CompoSecure began a strategic project to formalize its approach to ESG. CompoSecure's ESG efforts are driven by a management ESG Committee, led by the Chief Operations Officer, joined by the Chief Transformation Officer, General Counsel and Head of Corporate Communications. The ESG Committee, working across all key business functions, is responsible for the development and implementation of CompoSecure's ESG program, which includes assessing the company's existing ESG efforts, understanding stakeholder perspectives, identifying areas for improvement that align with CompoSecure's business and working collaboratively to support programs designed to implement and assess CompoSecure's ESG initiatives. CompoSecure's Board of Directors provides support for and oversight of CompoSecure's ESG program.

The pillars of CompoSecure's ESG program are:

- Positively Impacting CompoSecure's Environment and Community; and
- Doing Business in a Responsible Way.

CompoSecure's approach to ESG has included identifying programs and activities already in place, as well as initiating new programs and practices, and developing qualitative and quantitative ways to measure CompoSecure's achievements and impact across various aspects of ESG. The following sub-sections summarize CompoSecure's ESG initiatives and activities.

Sustainability & Environmental Protection

CompoSecure has been proactively pursuing environmentally friendly products for over 20 years and achieved carbon neutral operations in 2022 and 2023 through a combination of production efficiencies and purchasing carbon offsets. The use of recycled stainless steel plays an important role in CompoSecure's sustainable design, as most of CompoSecure's metal card products contain 65% post-consumer recycled stainless steel.

In 2022, CompoSecure achieved:

- ICMA (International Card Manufacturers Association) EcoLabel Standard certification and verified assurance on CompoSecure's ceramic metal hybrid dual-interface card and metal veneer dual-interface card products in the recycled content category;
- Environmental Claim Validation from UL, the global safety science leader and one of the world's leading sources for credible and sustainable product information, for CompoSecure's ceramic metal hybrid dual-interface card, metal hybrid dual-interface card and metal veneer dual-interface card products; and
- ISO 14001 certification due to its improved sustainability operations by reducing waste, improving efficiency and enhancing operations using a systematic approach.

In 2023, CompoSecure:

- Was awarded the EcoVadis Silver Medal. EcoVadis is an independent provider of business sustainability ratings, and the EcoVadis Medals recognize eligible companies that have completed the EcoVadis assessment process and demonstrated a relatively strong management system that addresses sustainability criteria. The Silver Medal is awarded to companies in the top 15% (85+ percentile) compared to all 150,000+ EcoVadis-rated companies over the previous 12 months.
- Renewed its ISO 14001 certification continuing to improve its sustainability operations by reducing waste, improving efficiency and enhancing operations using a systematic approach;
- Reduced water usage by approximately 31.5% compared to 2022, resulting in water savings of about 1.5 million gallons through the introduction of new production processes;
- Improved its energy efficiency by converting approximately 70% of lighting fixtures in CompoSecure's facilities to LED;
- Implemented a card return/recycling program to support closed-loop material use;
- Developed new shipment packaging designs utilizing 100% recycled cardboard components; and
- Initiated an enhanced supplier engagement program to align CompoSecure's ESG initiatives to customer and supplier activities.

CompoSecure's manufacturing operations are subject to compliance with federal, state and local environmental protection regulations, including those governing the emissions of pollutants into the air, wastewater discharges, the use and handling of hazardous substances, waste disposal, the investigation and remediation of soil and groundwater contamination. CompoSecure believes that its operations are in material compliance with environmental requirements and that environmental matters will not have a material adverse effect on its business, operations, financial condition or results of operations.

The metal raw material used in the manufacture of CompoSecure's metal payment cards typically comprises mostly post-consumer recycled materials. In addition, CompoSecure believes that its metal form factors permit a greater opportunity for recycling and/or repurposing expired payment cards as compared to plastic cards. Some card issuers provide postage paid return shipping materials to their cardholders so that the expired cards are returned for destruction/recycling (as metal payment cards cannot typically be shredded with consumer shredding machines).

Human Capital/Employees

As of November 1, 2024, CompoSecure had approximately 997 full-time employees, and 9 part-time employees, including approximately 44% female and 56% male employees, and representing over 84% racial/ethnic minorities.

CompoSecure is committed to upholding and promoting human rights in all aspects of its operations. CompoSecure believes in the inherent dignity and equal rights of every individual, and recognizes a responsibility to respect and protect these rights. As an Equal Opportunity Employer, CompoSecure does not discriminate against any employee or job applicant based on race, ethnicity, religion, national origin, sex, physical or mental disability, or age.

CompoSecure focuses human capital efforts on attracting and retaining employees with skills and experience which benefit the business and support CompoSecure's mission and values. Compensation programs are competitive, including base wage and salary rates, annual cash incentives, long-term equity incentives, medical, dental and vision insurance an employee stock purchase plan, paid time off, and employee assistance program, and other benefits. CompoSecure also fosters ongoing management development through training and promotions, and conducts annual employee surveys to measure employee engagement and satisfaction.

CompoSecure promotes honest, ethical and respectful conduct. CompoSecure's Code of Conduct sets the standards for appropriate behavior, and employees are required to follow these standards and participate in regular training programs. CompoSecure encourages employees to bring forward issues and concern,

and maintain a whistleblower hotline system. CompoSecure conducts ongoing employee training programs for ethics, diversity and inclusiveness, anti-harassment and other important programs and policies. CompoSecure and its employees participate in community initiatives to enhance the lives of people in the communities in which CompoSecure and its employees work and live through volunteerism, charitable giving and other support.

CompoSecure considers relations with its employees to be good, and the company measures this with annual employee engagement surveys. CompoSecure has never experienced any work stoppages or strikes as a result of labor disputes.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For financial reporting purposes, we are required under U.S. generally accepted accounting principles to consolidate the financial statements of CompoSecure Holdings. As we are a newly formed entity without any historical financial statements, the Management's Discussion and Analysis of Financial Condition and Results of Operations presented herein and in our future filings with respect to periods prior to the Spin-Off will be represented by the historical Management's Discussion and Analysis of Financial Condition and Results of Operations of CompoSecure Holdings. Accordingly, except as otherwise indicated, the discussion and analysis in this section relates to CompoSecure Holdings' historical financial condition and results of operations prior to the completion of the Spin-Off, and does not reflect the impact that the Spin-Off will have on us. Additionally, the financial statements of Resolute Holdings will be prepared on a different basis from those of CompoSecure Holdings, and accordingly, our financial statements, financial condition and results of operations are expected to differ materially from those of CompoSecure Holdings and from the following discussion and analysis and any forward-looking statements contained therein. Accordingly, the following discussion and analysis should be read in conjunction with CompoSecure Holdings' financial statements and corresponding notes, Resolute Holdings' financial statements and corresponding notes, and the unaudited pro forma condensed consolidated financial statements and corresponding notes, each included elsewhere in this Information Statement.

CompoSecure operates its business through a subsidiary of CompoSecure Holdings and, accordingly, references in this section to the business and operations of CompoSecure refer to the business and operations of CompoSecure Holdings.

This discussion contains forward-looking statements that are based upon current expectations and are subject to uncertainty and changes in circumstances. Our and CompoSecure Holdings' actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed below and elsewhere in this Information Statement, particularly in "Risk Factors." Actual results may differ materially from these expectations. See "Cautionary Statement Concerning Forward-Looking Statements." Certain columns and rows within tables may not add due to the use of rounded numbers.

Overview

Resolute Holdings

We are a wholly owned subsidiary of CompoSecure Holdings. We were formed on September 27, 2024 to provide operating management services to CompoSecure Holdings and any other companies we may manage in the future. We have engaged in no business operations to date and have no assets or liabilities of any kind, other than those incidental to our formation. Following the completion of the Spin-Off, the sole source of our revenues will be management fees we may receive pursuant to the CompoSecure Management Agreement. See "Certain Related Party Transactions — CompoSecure Management Agreement," and "Risk Factors — Risks Related to our Business." As a result, for the foreseeable future, our performance, financial condition and results of operations will depend entirely on the performance of CompoSecure Holdings.

CompoSecure

CompoSecure creates innovative, highly differentiated and customized financial payment card products for banks and other payment card issuers to support and increase their customer acquisition, customer retention and organic customer spend. CompoSecure's customers consist primarily of leading international and domestic banks and other payment card issuers primarily within the United States ("U.S."), with additional direct and indirect customers in Europe, Asia, Latin America, Canada and the Middle East. CompoSecure is a platform for next generation payment technology, security, and authentication solutions. CompoSecure maintains trusted, highly embedded and long-term customer relationships with an expanding set of global issuers. CompoSecure has established a niche position in the financial payment card market through over 20 years of innovation and experience and is focused primarily on this attractive subsector of the financial technology market. CompoSecure serves a diverse set of direct customers and indirect customers, including some of the largest issuers of credit cards in the United States. CompoSecure operates its business through a subsidiary of CompoSecure Holdings.

On September 17, 2024, the Resolute Transaction closed and Resolute became the majority owner of CompoSecure by acquiring 49,290,409 shares of CompoSecure common stock for an aggregate purchase price of approximately $372.1 million, or $7.55 per share, representing an approximately 60% voting interest. CompoSecure was not party to stock purchase transactions. Prior to these transactions, the selling stockholders held Class B units in CompoSecure Holdings. Subsequent to the Resolute Transaction, CompoSecure owned 100% of CompoSecure Holdings. As a result of the Resolute Transaction, CompoSecure no longer has shares of Class B common stock outstanding or a non-controlling interest as of September 30, 2024.

Known Trends or Future Events

Resolute Holdings

Resolute Holdings has neither engaged in any operations nor generated any revenues to date. Our only activities since inception have been organizational activities and those necessary to prepare for the Spin-Off. We will not generate any revenues until after the execution and effectiveness of the CompoSecure Management Agreement in connection with the completion of the Spin-Off. After the Spin-Off, we expect to incur increased expenses as a result of being a public company and, accordingly, we expect our expenses to increase substantially after the completion of the Spin-Off.

CompoSecure

U.S. and international markets and, in particular, the rapidly evolving digital assets industry, are experiencing uncertain and volatile economic conditions, including Russian aggression in Ukraine, the ongoing conflict in Israel, Gaza and the surrounding areas, sustained inflation, threats or concerns of recession, and supply chain disruptions. These conditions make it extremely difficult for CompoSecure and its suppliers to accurately forecast and plan future business activities. Additionally, a significant downturn in the domestic or global economy may cause CompoSecure's existing customers to pause or delay orders and prospective customers to defer new projects. Together, these circumstances create an environment in which it is challenging for CompoSecure to predict future operating results. If these uncertain business, macroeconomic or political conditions continue or further decline, CompoSecure's business, financial condition and results of operations could be materially adversely affected.

CompoSecure's Arculus platform offers a broad range of secure authentication and digital asset storage solutions and enables its consumer Arculus Cold Storage Wallet for digital assets. CompoSecure believes consumers can achieve enhanced protection by controlling their private keys with a cold storage wallet, such as the Arculus Cold Storage Wallet. At the same time, this market cycle has created uncertainty in timing for CompoSecure's anticipated Arculus ramp-up, as some of its partners and targets have been impacted. Therefore, CompoSecure is taking a measured approach to better target the timing of its investments to support near-term and long-term opportunities.

Key Components of Results of Operations of CompoSecure Holdings

Net Sales

Net sales reflect CompoSecure Holdings' revenue generated primarily from the sale of its products. Product sales primarily include the design and manufacturing of metal cards, including contact and dual interface cards. CompoSecure Holdings also generates revenue from the sale of Prelams (which refers to pre-laminated, sub-assemblies consisting of a composite of material layers which are partially laminated to be used as a component in the multiple layers of a final payment card or other card construction). Net sales include the effect of discounts and allowances which consist primarily of volume-based rebates.

Cost of Sales

CompoSecure Holdings' cost of sales includes the direct and indirect costs related to manufacturing products and providing related services. Product costs include the cost of raw materials and supplies, including various metals, EMV® chips, holograms, adhesives, magnetic stripes and NFC assemblies; the cost of labor; equipment and facilities; operational overhead; depreciation and amortization; leases and rental

charges; shipping and handling; and freight and insurance costs. Cost of sales can be impacted by many factors, including volume, operational efficiencies, procurement costs and promotional activity.

Gross Profit and Gross Margin

CompoSecure Holdings' gross profit represents its net sales less cost of sales, and its gross margin represents gross profit as a percentage of its net sales.

Operating Expenses

CompoSecure Holdings' operating expenses primarily comprised selling, general and administrative expenses, which generally consist of personnel-related expenses for its corporate, executive, finance, information technology, and other administrative functions, and expenses for outside professional services, including legal, audit and accounting services, as well as expenses for facilities, depreciation, amortization, travel, sales and marketing.

Income from Operations and Operating Margin

Income from operations consists of CompoSecure Holdings' gross profit less its operating expenses. Operating margin is income from CompoSecure Holdings' operations as a percentage of its net sales.

Other Expense, net

Other expense primarily consists of changes in interest expense net of any interest income.

Net Income

Net income consists of CompoSecure Holdings' income from operations, less other expenses.

Factors Affecting CompoSecure Holdings' Operating Results

CompoSecure believes that its performance and future success depend on a number of factors that present significant opportunities for it but also pose risks and challenges. Please see the factors discussed elsewhere in this Information Statement, including those discussed in the sections entitled "Risk Factors — Risks Related to the Business of CompoSecure" and "Cautionary Statement Concerning Forward-Looking Statements" for additional information.

Results of Operations of CompoSecure Holdings

Three months ended September 30, 2024 vs three months ended September 30, 2023

The following table presents CompoSecure Holdings' results of operations for the periods indicated:

	Three months ended September 30,			
	2024	2023	$ Change	% Change
	(in thousands)			
Net sales	$107,135	$96,886	$10,249	11%
Cost of sales	51,727	47,990	3,737	8%
Gross profit	55,408	48,896	6,512	13%
Operating expenses				
Selling, general and administrative expenses	22,561	18,657	3,904	21%
Income from operations	32,847	30,239	2,608	9%
Other (expense) income, net	(5,009)	(5,885)	(876)	(15)%
Income before income taxes	27,838	24,354	3,484	14%
Income tax	—	—	—	—
Net income	27,838	24,354	3,484	14%

	Three months ended September 30,	
	2024	2023
Gross Margin	52%	50%
Operating margin	31%	31%

Net Sales

	Three months ended September 30,			
	2024	2023	$ Change	% Change
	(in thousands)			
Net sales by region				
Domestic	$ 80,033	$84,277	$ (4,244)	(5)%
International	27,102	12,609	14,493	115%
Total	$107,135	$96,886	$10,249	11%

CompoSecure Holdings' net sales for the quarter ended September 30, 2024 increased $10.2 million, or 11%, to $107.1 million compared to $96.9 million for the quarter ended September 30, 2023. The increase was primarily driven by strong sales in the international market, which were up 115%, offset by lower domestic sales which decreased by 5%.

Domestic: CompoSecure Holdings' domestic net sales for the quarter ended September 30, 2024 decreased $4.3 million, or 5%, to $80.0 million compared to $84.3 million for the quarter ended September 30, 2023. The decrease was primarily due to the timing of orders. As noted below, domestic sales have increased 9% year to date.

International: CompoSecure Holdings' international net sales for the quarter ended September 30, 2024 increased $14.5 million, or 115%, to $27.1 million compared to $12.6 million for the quarter ended September 30, 2023. International sales as a percentage of total sales were higher at 25% and 13% of CompoSecure Holdings' total net sales for the quarter ended September 30, 2024 and 2023, respectively. The international market is more variable due to customer mix and a smaller sales base.

Gross Profit and Gross Margin

CompoSecure Holdings' gross profit for the quarter ended September 30, 2024 increased $6.5 million, or 13%, to $55.4 million compared to $48.9 million for the quarter ended September 30, 2023. The gross profit margin percentage increased by 2%, to 52%, compared to 50% for the quarter ended September 30, 2023. The increase was primarily due to favorable product mix and improved product efficiencies.

Operating Expenses

CompoSecure Holdings' operating expenses increased $3.9 million, or 21%, to $22.6 million for the quarter ended September 30, 2024 compared to $18.7 million for the quarter ended September 30, 2023. The increase was primarily due to an increase in salaries of $2.3 million, and an increase in stock-based compensation expense of $1.0 million resulting from added head count.

Income from Operations and Operating Margin

Income from operations for the quarter ended September 30, 2024 increased $2.6 million, or 9%, to $32.8 million compared to $30.2 million for the quarter ended September 30, 2023. The increase was primarily attributable to an increase in net sales. Operating margin remained flat at 31% for the quarters ended September 30, 2024 and 2023.

Other (Expense) Income, net

Other expense for the quarter ended September 30, 2024 decreased $0.9 million, to $5.0 million of expense, compared to $5.9 million of expense for the quarter ended September 30, 2023. The decrease in other expense was primarily due to changes in interest expense, net.

Nine months ended September 30, 2024 vs nine months ended September 30, 2023

The following table presents CompoSecure Holdings' results of operations for the periods indicated:

	Nine months ended September 30,			
	2024	2023	$ Change	% Change
	(in thousands)			
Net sales	$319,712	$290,729	$28,983	10%
Cost of sales	153,019	134,542	18,477	14%
Gross profit	166,693	156,187	10,506	7%
Operating expenses				
Selling, general and administrative expenses	68,012	62,976	$ 5,036	8%
Income from operations	98,681	93,211	5,470	6%
Other expense, net	(16,555)	(18,743)	2,188	12%
Income before income taxes	82,126	74,468	7,658	10%
Income tax (expense)	—	—	—	—
Net income	$ 82,126	$ 74,468	$ 7,658	10%

	Nine months ended September 30,	
	2024	2023
Gross Margin	52%	54%
Operating margin	31%	32%

Net Sales

	Nine months ended September 30,			
	2024	2023	$ Change	% Change
	(in thousands)			
Net sales by region				
Domestic	$258,007	$235,933	$22,074	9%
International	61,705	54,796	6,909	13%
Total	$319,712	$290,729	$28,983	10%

CompoSecure Holdings' net sales for the nine months ended September 30, 2024 increased $29.0 million, or 10%, to $319.7 million compared to $290.7 million for the nine months ended September 30, 2023. The increase was primarily driven by domestic growth in CompoSecure's premium payment card business, which was up 9%, and international sales, which were up by 13%.

Domestic: CompoSecure Holdings' domestic net sales for the nine months ended September 30, 2024 increased $22.1 million, or 9%, to $258.0 million compared to $235.9 million for the nine months ended September 30, 2023. The increase was primarily due to higher customer acquisition by CompoSecure's clients as they continue to experience higher demand for their products.

International: CompoSecure Holdings' international net sales for the nine months ended September 30, 2024 increased $6.9 million, or 13%, to $61.7 million compared to $54.8 million for the nine months ended September 30, 2023. International net sales remained flat at 19% of CompoSecure Holdings' total net sales for the nine months ended September 30, 2024 and 2023. As described above, the international market is more variable due to customer mix and a smaller sales base.

Gross Profit and Gross Margin

CompoSecure Holdings' gross profit for the nine months ended September 30, 2024 increased $10.5 million, or 7%, to $166.7 million compared to $156.2 million for the nine months ended September 30, 2023. The gross profit margin percentage decreased by 2%, to 52%, compared to 54% for the nine months ended September 30, 2023. The decrease was primarily due to product mix, specifically lower production efficiencies from new and innovative card constructions, as well as the impact of inflationary pressure on wages and materials during the nine months ended September 30, 2024.

Operating Expenses

CompoSecure Holdings' operating expenses for the nine months ended September 30, 2024 increased $5.0 million, or 8%, to $63.0 million compared to $68.0 million for the nine months ended September 30, 2023. The increase was primarily due to an increase in salaries of $4.1 million and an increase in stock-based compensation expense of $2.2 million resulting from increases in head count, offset by a decrease in professional fees of $1.9 million.

Income from Operations and Operating Margin

During the nine months ended September 30, 2024, CompoSecure Holdings had income from operations of $98.7 million compared to income from operations of $93.2 million for the nine months ended September 30, 2023. The operating margin for the nine months ended September 30, 2024 decreased to 31% compared to 32% for the nine months ended September 30, 2023. The decrease in operating margin percentage was primarily due to the noted decrease in gross margin and increases in operating expenses offset by revenue growth.

Other Expense, net

Other expenses for the nine months ended September 30, 2024 decreased $2.2 million, or 12%, to $16.6 million compared to $18.7 million for the nine months ended September 30, 2023. The decrease was primarily attributable to a reduction in interest expense of $1.2 million resulting from principal payments on

CompoSecure Holdings' long-term debt and favorable changes in the fair value of a derivative liability related to a make-whole provision of $0.8 million.

Year Ended December 31, 2023 vs. Year Ended December 31, 2022

The following table presents CompoSecure Holdings' results of operations for the periods indicated:

	Year Ended December 31,			
	2023	2022	$ Change	% Change
	(in thousands)			
Net sales	$390,629	$378,476	$ 12,153	3%
Cost of sales	$181,547	$158,832	$ 22,715	14%
Gross profit	209,082	219,644	(10,562)	(5)%
Operating expenses:				
Selling, general and administrative expenses	83,547	95,963	(12,416)	(13)%
Income from operations	125,535	123,681	1,854	1%
Other income, net	(24,333)	(20,987)	(3,346)	(16)%
Income before income taxes	101,202	102,694	(1,492)	(1)%
Income tax benefit	—	—	—	—
Net income	$101,202	$102,694	$ (1,492)	(1)%

	Year Ended December 31,	
	2023	2022
Gross Margin	54%	58%
Operating margin	32%	33%

Net Sales

	Year Ended December 31,			
	2023	2022	$ Change	% Change
	(in thousands)			
Net sales by region				
Domestic	$321,470	$295,423	$ 26,047	9%
International	69,159	83,053	(13,894)	(17)%
Total	$390,629	$378,476	$ 12,153	3%

CompoSecure Holdings' net sales for the year ended December 31, 2023 increased by $12.2 million, or 3%, to $390.6 million compared to $378.5 million for the year ended December 31, 2022. The increase was primarily driven by continued domestic growth in CompoSecure Holdings' premium payment card business, which was up 9%. This was offset by lower international sales, which is a more variable market due to current global economic uncertainty, customer mix and a smaller sales base.

Domestic: CompoSecure Holdings' domestic net sales for the year ended December 31, 2023 increased $26.1 million, or 9%, to $321.5 million compared to $295.4 million for the year ended December 31, 2022. The increase was primarily due to higher customer acquisition by CompoSecure's clients as they continued to experience higher demand.

International: CompoSecure Holdings' international net sales for the year ended December 31, 2023 decreased $13.9 million, or 17%, to $69.2 million compared to $83.1 million for the year ended December 31, 2022. This decrease was primarily due to current global economic uncertainty and international markets being a more variable market due to customer mix and a smaller sales base.

Gross Profit and Gross Margin

CompoSecure Holdings' gross profit for the year ended December 31, 2023 decreased $10.6 million, or 5%, to $209.1 million compared to $219.7 million for the year ended December 31, 2022, while its gross profit margin decreased from 58% to 54%. The decrease in gross margin percentage was due to lower production efficiencies from new and innovative card constructions, as well as the impact of inflationary pressure on wages and materials for the year ended December 31, 2023.

Operating Expenses

CompoSecure Holdings' operating expenses decreased $12.4 million, or 13%, for the year ended December 31, 2023 compared to the year ended December 31, 2022. Total operating expenses for the year ended December 31, 2023 were $83.5 million compared to $96.0 million for the year ended December 31, 2022. The decrease was driven primarily by a decrease in bonus expenses of $2.7 million, commission expenses of $8.1 million, reductions in marketing expenses of $7.2 million and lower insurance expenses of $4.2 million. The decreases were partially offset by increases in stock-based compensation of $6.1 million and increases in salaries and employee benefits of $3.5 million.

Income from Operations and Operating Margin

During the year ended December 31, 2023, CompoSecure Holdings had income from operations of $125.5 million compared to income from operations of $123.7 million for the year ended December 31, 2022. CompoSecure Holdings' operating margin for the year ended December 31, 2023 decreased to 32% compared to 33% for the year ended December 31, 2022.

Other Income (Expenses) (net)

Interest expense for the year ended December 31, 2023 increased $2.5 million, or 12%, to $22.6 million compared to $20.1 million for the year ended December 31, 2022. An interest rate swap which CompoSecure entered in January 2022 provided a benefit of $4.9 million for the year ended December 31, 2023. See "Liquidity and Capital Resources" below for more detail on CompoSecure's 2021 Credit Facility (as defined below). There was an overall increase in other expenses due to the reduction in favorable changes to the fair value of mark-to-market instruments compared to December 31, 2022. The decrease in favorable changes in the fair value of mark-to-market instruments was primarily due to the increase in the price of the CompoSecure common stock compared to December 31, 2022.

Net Income

CompoSecure Holdings' net income for the year ended December 31, 2023 was $101.2 million, compared to net income of $102.7 million for the year ended December 31, 2022. The decrease was driven by the decrease in gross profit, and derivative liability, offset by the decrease in operating expenses.

Critical Accounting Policies and Estimates

General

The discussion and analysis of CompoSecure Holdings' financial condition and results of operations is based upon CompoSecure Holdings' financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements involves the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosures with respect to contingent liabilities and assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Certain accounting policies required the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on CompoSecure Holdings' historical experience, the terms of its existing contracts, an evaluation of trends in the industry, information provided by its customers, and information available from outside sources, as appropriate. CompoSecure Holdings' actual results may differ from those estimates under different assumptions or conditions. CompoSecure Holdings evaluates the adequacy of its expected reserves and the

estimates used in calculations on an ongoing basis. Significant areas requiring management to make estimates include the valuation of equity instruments, measurement of changes in the fair value of earnout consideration liability, estimates of derivative liability associated with the Exchangeable Notes which were marked to market each quarter based on a Lattice model approach, changes in the fair value of warrant liabilities, derivative assets for the interest rate swap, and valuation allowances on deferred tax assets which are based on an assessment of recoverability of the deferred tax assets against future taxable income and estimates of the inputs used to calculate the Tax Receivable Agreement (as defined below) liability. See Notes 7, 10 and 12 to the CompoSecure Holdings Audited Financial Statements for further discussion of the nature of these assumptions and conditions. See Note 2 to the CompoSecure Holdings Audited Financial Statements for a complete description of the significant accounting policies that have been followed in preparing CompoSecure Holdings' audited consolidated financial statements.

The accounting policies described below are those that CompoSecure Holdings considers to be the most critical for an understanding of its historical financial condition and results of operations included in this Information Statement and that required the most complex and subjective management judgment and are applicable only for the historical periods shown in this Management's Discussion and Analysis.

Revenue Recognition

CompoSecure Holdings recognizes revenue in accordance with the accounting standard ASC 606 when the performance obligations under the terms of CompoSecure Holdings' contracts with its customers have been satisfied. This occurs at the point in time when control of the specific goods or services as specified by each purchase order are transferred to customers. Specific goods refer to the products offered by CompoSecure, including metal cards, high-security documents and pre-laminated materials. Transfer of control passes to customers upon shipment or upon receipt, depending on the agreement with the specific customers. ASC 606 requires entities to record a contract asset when a performance obligation has been satisfied or partially satisfied, but the amount of consideration has not yet been received because the receipt of the consideration is conditioned on something other than the passage of time. ASC 606 also requires an entity to present a revenue contract as a contract liability in instances when a customer pays consideration, or an entity has a right to an amount of consideration that is unconditional (*e.g.*, receivable), before the entity transfers a good or service to the customer.

The primary judgments relating to CompoSecure Holdings' revenue recognition include determining whether (i) the contract with a customer exists; (ii) performance obligations are identified; (iii) the transaction price is determined; (iv) the transaction price is allocated to performance obligations; and (v) the distinct performance obligations are satisfied by transferring control of the product or service to the client. Transfer of control is typically evaluated from the customer's perspective.

CompoSecure invoices its customers at the time at which control is transferred, with payment terms ranging between 15 and 60 days depending on each individual contract. As the payment is due within 90 days of the invoice, a significant financing component is not included within the contracts.

The majority of CompoSecure's contracts with its customers have the same performance obligation of manufacturing and transferring the specified number of cards to the customer. Each individual card included within an order constitutes a separate performance obligation, which is satisfied upon the transfer of goods to the customer. The contract term as defined by ASC 606 is the length of time it takes to deliver the goods or services promised under the purchase order or statement of work. As such, CompoSecure's contracts are generally short term in nature.

Revenue is measured in an amount that reflects the consideration CompoSecure Holdings expects to receive in exchange for those products or services. Revenue is recognized net of variable consideration such as discounts, rebates and returns.

CompoSecure's products do not include an unmitigated right of return unless the product is non-conforming or defective. If the goods are non-conforming or defective, the defective goods are replaced or reworked or, in certain instances, a credit is issued for the portion of the order that was non-conforming or defective. A provision for sales returns and allowances is recorded based on experience with goods being

returned. Most returned goods are re-worked and subsequently re-shipped to the customer and recognized as revenue. Historically, returns have not been material to CompoSecure Holdings.

Additionally, CompoSecure has a rebate program with certain customers allowing for rebates based on achieving a certain level of shipped sales during the calendar year. These rebates are estimated and updated throughout the year and recorded against revenues and the related accounts receivable.

Equity-Based Compensation

CompoSecure adopted its existing equity incentive plans in 2021 and 2015. See Note 10 to the CompoSecure Holdings Audited Financial Statements for a detailed discussion of both plans. The equity incentive plans established by CompoSecure provide compensation to employees of CompoSecure Holdings; therefore, the expense and related accounting related to employees of CompoSecure Holdings is reflected in CompoSecure Holdings' financial statements. CompoSecure Holdings estimates the fair value of option awards using a Black-Scholes option valuation model. The option valuation model requires CompoSecure Holdings to estimate a number of key valuation inputs including expected volatility, expected dividend yield, expected term, and risk-free interest rate. The expected term assumption reflects the period for which CompoSecure Holdings believes the option will remain outstanding. This assumption is based upon the historical and expected behavior of the option holders and may vary based upon the behavior of different groups of option holders. The most subjective estimate is the expected volatility of the underlying unit when determining the fair market value of an option granted. As there was no trading history for CompoSecure's equity in 2020, CompoSecure Holdings had utilized an appropriate index to estimate the volatility assumption when calculating the fair value of options granted during 2020. A nonpublic entity that is unable to estimate the expected volatility of the price of its underlying share may measure awards based on a "calculated value," which substitutes the volatility of an appropriate index for the volatility of the entity's own share price. CompoSecure Holdings had used the historical closing values of comparable publicly held entities to estimate volatility. The risk-free rate reflects the U.S. Treasury yield curve for a similar expected life instrument in effect at the time of the grant. There were no option grants made during 2022 under 2015 incentive plans. CompoSecure made certain grants under 2021 incentive plan during 2023 and 2022. See Note 10 to the CompoSecure Holdings Audited Financial Statements.

On December 27, 2021, Roman DBDR Tech Acquisition Corp ("Roman DBDR") consummated the merger pursuant to that certain Merger Agreement, dated April 19, 2021 (the "Merger Agreement"), by and among Roman DBDR, Roman Parent Merger Sub, LLC, a wholly owned subsidiary of Roman DBDR incorporated in the State of Delaware ("Merger Sub"), and CompoSecure Holdings. Pursuant to the terms of the Merger Agreement, a business combination between CompoSecure and CompoSecure Holdings was effected through the merger of Merger Sub with and into CompoSecure Holdings, with CompoSecure Holdings as the surviving company and as a wholly owned subsidiary of Roman DBDR (the "Business Combination"). In connection with the consummation of the Business Combination, among other things, the then-existing equity holders had the right to receive an aggregate of up to 7,500,000 additional (i) shares of CompoSecure common stock or (ii) the Class B units of CompoSecure Holdings (and a corresponding number of shares of CompoSecure's Class B common stock), as applicable, in earnout consideration based on the achievement of certain stock price thresholds (collectively, the "Earnouts").

There was a total of 657,160 shares subject to ASC 718, or 328,580 shares for each portion of the Earnouts. Upon the transaction date, a valuation was performed which took into consideration all the key terms and conditions of the award, including the fact that under Topic 718, there is no requisite service period due to the fact that there is no service condition prospectively and that, as of the grant date, there was no service inception date preceding the grant date on which to base historical valuation or expense amortization. As such, the award was considered to be immediately vested from a service perspective and is solely contingent on meeting the hurdles required for the award to be settled. Since there is no future substantive risk of forfeiture, all expense associated with the awards were accelerated and recognized on December 27, 2021.

The valuation of the Earnouts was determined using a Monte Carlo simulation model that utilizes significant assumptions, including volatility, that determine the probability of satisfying the market condition

stipulated in the award to calculate the fair value of the award. The following assumptions were used to determine the grant date fair value for the Earnouts that were fully expensed at the closing date, December 27, 2021:

	Year Ended 12/27/2021
Valuation date share price	$9.95
Risk-free interest rate	0.98% – 1.12%
Expected volatility	57.92% – 58.88%
Expected dividends	0%
Expected forfeiture rate	0%
Expected term	3 – 4 years

A 10% change in CompoSecure Holdings' equity-based compensation expense for the years ended December 31, 2022 and 2023 would have affected net income by approximately $1.0 million. CompoSecure Holdings includes equity-based compensation expense in selling, general and administrative expenses in its consolidated statement of operations.

CompoSecure Holdings classifies the Earnouts as liabilities at their fair value on the consolidated balance sheet and adjusts the fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in revaluation of Earnout consideration liability in CompoSecure Holdings' consolidated statements of operations. See Note 10 to the CompoSecure Holdings Audited Financial Statements for a detailed discussion.

On December 17, 2024, CompoSecure issued an aggregate of 3.6 million shares of CompoSecure common stock in Earnout consideration, in connection with the achievement of a $15.00 volume-weighted average price per share over the required time period on or prior to the third anniversary of the completion of the Business Combination.

Derivative Liability — Redemption Make-Whole Provision Feature

A derivative liability was initially recorded as a result of the issuance by CompoSecure Holdings of the 7.00% Exchangeable Notes due December 2026 (the "Exchangeable Notes") (see Note 7 to the CompoSecure Holdings Audited Financial Statements). The fair value measurement of the derivative liability is classified as Level 3 under the fair value hierarchy as it has been valued using certain unobservable inputs using a Lattice model. These inputs primarily include: (1) share price as of the valuation date; (2) assumed timing of redemption of the notes based on redemption threshold using a Monte Carlo simulation; (3) historical volatility of the share price; and (4) the risk-free rate. Significant increases or decreases in any of those inputs in isolation could result in a significantly lower or higher fair value measurement. The fair value of the derivative liability was determined using a Lattice model by calculating the fair value of the notes with the redemption make-whole feature as compared to the fair value of the notes without the redemption make-whole feature, with the difference representing the value of the redemption make-whole feature, or the derivative liability. The conversion feature was measured at fair value on a quarterly basis, and the change in the fair value of the conversion feature for the period was recorded in the consolidated statements of operations. As of November 29, 2024, no Exchangeable Notes remained outstanding.

Market and Credit Risk

Financial instruments that potentially subject CompoSecure to credit risk consist principally of investments in cash, cash equivalents, short-term investments and accounts receivable. CompoSecure's primary exposure is credit risk on receivables as CompoSecure does not require any collateral for its accounts receivable. Credit risk is the loss that may result from a trade customer's or counterparty's nonperformance. CompoSecure uses credit policies to control credit risk, including utilizing an established credit approval process, monitoring customer and counterparty limits, employing credit mitigation measures such as analyzing customers' financial statements, and accepting personal guarantees and various forms of collateral. CompoSecure believes that its customers and counterparties will be able to satisfy their obligations under their contracts.

CompoSecure maintains cash, cash equivalents with approved federally insured financial institutions. Such deposit accounts at times may exceed federally insured limits. CompoSecure is exposed to credit risks and liquidity in the event of default by the financial institutions or issuers of investments in excess of FDIC insured limits. CompoSecure performs periodic evaluations of the relative credit standing of these financial institutions and limits the amount of credit exposure with any institution if required. CompoSecure has not experienced any losses on such accounts.

Recently Adopted Accounting Policies

In March 2020, the FASB issued ASU No. 2020-4, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting" (ASU 2020-4), and in December 2022, the FASB issued ASU No. 2022-6, "Reference Rate Reform (Topic 848): Deferral of the Sunset Date for Topic 848" (ASU 2022-6). ASU 2020-4 provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. This guidance is elective and applies to all entities that have contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. ASU 2022-6 defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. During the first quarter of fiscal 2023, CompoSecure adopted the expedient in accounting for the amendments to the agreement governing CompoSecure's 2021 Credit Facility which were made as a result of the replacement of LIBOR as a reference rate. On February 28, 2023, CompoSecure amended the 2021 Credit Facility to, among other things, transition from bearing interest based on LIBOR to Secured Overnight Financing Rate ("SOFR") or the Alternate Base Rate (as defined in the 2021 Credit Facility), at the election of CompoSecure, plus an applicable margin. See Note 7, Debt to the CompoSecure Holdings Audited Financial Statements, for further details regarding the interest rate effected by these amendments, which will be applied prospectively. The adoption of these ASUs did not have a material impact on CompoSecure Holdings' consolidated financial statements.

In March 2022, the FASB issued ASU 2022-02, which eliminates the accounting guidance on troubled debt restructurings (TDRs) for creditors in ASC 310-402 and amends the guidance on "vintage disclosures" to require disclosure of current-period gross write-offs by year of origination. The ASU also updates the requirements related to accounting for credit losses under ASC 326 and adds enhanced disclosures for creditors with respect to loan refinancing and restructurings for borrowers experiencing financial difficulty. The amendments in ASU 2020-04 are effective for years beginning after December 15, 2022 for entities that have adopted current expected credit loss ("CECL") model under ASC 326.

See Note 2 to the CompoSecure Holdings Interim Financial Statements and Note 2 to the CompoSecure Holdings Audited Financial Statements for additional information concerning recent accounting pronouncements.

Liquidity and Capital Resources

Resolute Holdings

As indicated in the accompanying financial statements of Resolute Holdings, at September 27, 2024, we had only immaterial amounts of cash. We expect to incur significant costs following the completion of the Spin-Off as we make the initial resource investments required to build the capabilities required for us to perform our duties required by the CompoSecure Management Agreement.

We expect that our liquidity needs will be satisfied prior to the completion of the Spin-Off by the receipt of approximately $10.0 million from CompoSecure Holdings, which funds we intend to use to hire and compensate personnel and establish the legal, financial reporting, accounting and auditing compliance infrastructure we anticipate will be necessary following the completion of the Spin-Off. In order to fund working capital deficiencies or finance additional costs prior to completion of the Spin-Off, CompoSecure or its subsidiaries or affiliates may, but are not obligated to, loan us funds on a non-interest basis as may be required. If we complete the Spin-Off, we would repay such loaned amounts. We do not expect to seek loans from parties other than CompoSecure or its subsidiaries. Following the Spin-Off, we expect to begin receiving management fees pursuant to the CompoSecure Management Agreement, commencing

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subject to our ability under the CompoSecure Management Agreement to waive the payment of management fees. See "Certain Relationships and Related Party Transactions — CompoSecure Management Agreement."

We expect our primary liquidity requirements during the period prior to our initial receipt of management fees pursuant to the CompoSecure Management Agreement to include approximately $1.6 million for personnel and related costs; $0.3 million for legal, accounting and other expenses in connection with regulatory reporting requirements; $0.1 million for office space, utilities and secretarial and administrative support; $0.1 million for Nasdaq listing fees; and approximately $0.3 million for other miscellaneous expenses. These amounts are estimates and may differ materially from our actual expenses.

We do not believe we will need to raise additional funds following the Spin-Off to meet the expenditures required for operating our business. However, if our estimates of the costs of personnel compensation and establishing the infrastructure necessary to build the capabilities required for us to perform our duties required by the CompoSecure Management Agreement are lower than the actual amount necessary to do so, we may have insufficient funds available to operate our business. Moreover, we may need to obtain additional financing, in which case, we may issue additional securities or incur debt. See "Risk Factors."

On , 2025, our Board authorized a stock repurchase program under which we may repurchase shares of our common stock. Repurchases may be made on the open market, in privately negotiated transactions, in tender offers, or by other methods at our discretion. The timing and amount of share repurchases may be based on market conditions, the availability of alternative opportunities, available liquidity, and other factors we deem appropriate from time to time. The repurchase program does not obligate us to repurchase any dollar amount or number of shares and may be extended, modified, suspended or discontinued at any time.

CompoSecure

CompoSecure Holdings' primary sources of liquidity are its existing cash and cash equivalents balances, cash flows from operations and borrowings on its term loan, revolving credit facility and, historically, the issuance of the Exchangeable Notes. CompoSecure Holdings' primary cash requirements include operating expenses, debt service payments (principal and interest) and capital expenditures (including property and equipment).

As of September 30, 2024, CompoSecure Holdings had cash and cash equivalents of $44.8 million and debt principal outstanding of $330.0 million. As of December 31, 2023, CompoSecure Holdings had cash and cash equivalents of $38.2 million and total debt principal outstanding of $340.3 million.

CompoSecure Holdings believes that cash flows from its operations and available cash and cash equivalents, as well as the availability of a revolving credit facility of $130.0 million (as described below), are sufficient to meet its liquidity needs, including the repayment of its outstanding debt, for at least the next 12 months from the date of this Information Statement. CompoSecure Holdings anticipates that to the extent that it requires additional liquidity, it will be funded through borrowings on its revolving credit facility, the incurrence of other indebtedness, or a combination thereof and offering of its shares in capital markets. CompoSecure Holdings cannot be assured that it will be able to obtain this additional liquidity on reasonable terms, or at all. Additionally, CompoSecure Holdings' liquidity and its ability to meet its obligations and fund its capital requirements are also dependent on its future financial performance, which is subject to general economic, financial and other factors that are beyond its control. Accordingly, CompoSecure Holdings cannot be assured that its business will generate sufficient cash flows from operations or that future borrowings will be available from additional indebtedness or otherwise to meet its liquidity needs. If CompoSecure Holdings decides to pursue one or more significant acquisitions, CompoSecure Holdings may incur additional debt to finance such acquisitions.

On July 26, 2016, CompoSecure entered into a $120 million credit facility (the "2016 Credit Facility") with J.P. Morgan Chase ("JPMC") as the lending agent that provided CompoSecure with a revolving credit facility with a maximum borrowing capacity of $40 million (the "2016 Revolver") and a term loan of $80 million (the "2016 Term Loan") that was scheduled to mature in July 2021. The 2016 Credit Facility was subsequently amended in July 2019, November 2020 and December 2021 (the "2021 Credit Facility") to increase the borrowing capacity of the 2016 Revolver and the 2016 Term Loan and to extend the maturity

date of the 2016 Credit Facility. The 2021 Credit Facility increased the overall borrowing capacity of the 2016 Credit Facility to $310 million that comprised a revolving credit facility with a maximum borrowing capacity of $60 million (the "2021 Revolver") and a term loan of $250 million (the "2021 Term Loan"). The 2021 Credit Facility was set to mature on December 16, 2025. The 2021 Credit Facility was also amended in February 2023, May 2023 and March 2024 to (i) transition the 2021 Credit Facility from bearing interest based on LIBOR to SOFR, (ii) remove certain lenders who no longer wanted to participate in the 2021 Credit Facility, and (iii) allow CompoSecure to repurchase outstanding shares of CompoSecure common stock, common stock warrants issued in connection with the Business Combination (the "warrants") and Exchangeable Notes in an aggregate amount not to exceed $40 million. The 2021 Credit Facility was accounted for as a modification and approximately $1.8 million of additional costs incurred in connection with the modification were capitalized as debt issuance costs.

On August 7, 2024, CompoSecure entered into a Fourth Amended and Restated Credit Agreement with JPMC (the "2024 Credit Facility," and together with the 2021 Credit Facility, the "Credit Facilities") to refinance the 2021 Credit Facility. In conjunction with the 2024 Credit Facility, the maximum borrowing capacity of the overall Credit Facilities was increased to $330 million comprising a term loan of $200 million (the "2024 Term Loan") and a revolving credit facility of $130 million (the "2024 Revolver"). At September 30, 2024, there was $200 million of total debt outstanding under the Credit Facilities. No amounts were drawn on the 2024 Revolver as of September 30, 2024. Additional amounts may be available for borrowing during the term of the 2024 Revolver, up to the full $130 million, as long as CompoSecure maintains a net leverage ratio as stipulated in the agreement governing the Credit Facilities. As of September 30, 2024, CompoSecure's net leverage ratio met the requirement for the available borrowing as defined in the terms of the agreement governing the Credit Facilities.

Two lenders who participated in the 2021 Credit Facility did not participate in the 2024 Credit Facility and transferred their debt to other lenders. The 2024 Credit Facility is set to mature on August 7, 2029. The 2024 Credit Facility was accounted for as an extinguishment for the two lenders who transferred their debt and as a modification for all other remaining lenders. As a result, CompoSecure Holdings wrote off approximately $0.1 million in unamortized debt issuance costs related to the lenders who did not participate in the 2024 Credit Facility which is included in Loss on Extinguishment of Debt in Other Expense in the accompanying consolidated statements of operations.

In conjunction with the 2024 Credit Facility, CompoSecure Holdings incurred approximately $0.7 million in lender fees and $0.1 million in other third-party fees related to the 2024 Revolver and approximately $1.1 million in lender fees and $0.2 in other third-party fees related to the 2024 Term Loan. The $1.1 million of lender fees related to the 2024 Term Loan have been capitalized and these fees, along with $0.8 million of unamortized debt issuance costs related to the 2021 Credit Facility, will be amortized into interest expense through the maturity date of the 2024 Term Loan using the effective interest method. Similarly $0.7 million of lender fees and $0.1 million of other third-party fees related to the 2024 Revolver have been capitalized as an other long-term asset and will be amortized into interest expense through the maturity date of the 2024 Revolver using the straight-line method. The $0.2 million other third-party fees related to the 2024 Term Loan were expensed as incurred.

CompoSecure's Credit Facilities, including the 2024 Credit Facility, require CompoSecure to make quarterly principal payments until maturity, at which point a balloon principal payment is due for the outstanding principal. The Credit Facilities also require CompoSecure to make monthly interest payments as well as pay a quarterly unused commitment fee of 0.35% for any unused portion of the 2021 Revolver and the 2024 Revolver. The 2024 Credit Facility provides for CompoSecure to prepay the term loans without penalty or premium. The Credit Facilities are secured by substantially all of the assets of CompoSecure.

Interest on the Credit Facilities is based on the outstanding principal amount during the interest period multiplied by the quoted SOFR rate plus the applicable margin which can range from 1.75% to 2.75% based on CompoSecure's leverage ratio. The Credit Facilities also require CompoSecure to make monthly interest payments as well as pay a quarterly unused commitment fee of 0.35% for any unused portion of the 2021 Revolver and the 2024 Revolver.

The 2024 Credit Facility contains customary covenants, including, among other things, certain restrictions or limitations on indebtedness, issuance of liens, investments, asset sales, certain mergers or

consolidations, sales, transfers, leases or dispositions of substantially all of CompoSecure's assets, and affiliate transactions. CompoSecure may also be required to make repayments on the 2021 Credit Facility in advance of the maturity date based on a calculation of excess cash flows, as defined in the agreement, with any required payments to be made after the issuance of CompoSecure's annual financial statements. CompoSecure made a prepayment of $4.1 million and an excess cash flow payment of $13.8 million in the year ended December 31, 2023 and December 31, 2022, respectively, per the terms of the 2021 Credit Facility. CompoSecure was in compliance with all covenants as of September 30, 2024. See Note 5 to the CompoSecure Holdings Interim Financial Statements.

On April 19, 2021, concurrently with the execution of the Merger Agreement, CompoSecure Holdings entered into subscription agreements with certain investors ("Notes Investors") pursuant to which such Notes Investors, severally and not jointly, purchased on the Closing Date of the Business Combination, the Exchangeable Notes, which were issued by CompoSecure Holdings and guaranteed by its operating subsidiaries, CompoSecure, L.L.C. and Arculus Holdings, L.L.C., in an aggregate principal amount of up to $130.0 million that were exchangeable into shares of CompoSecure common stock at an initial conversion price of $10.98 per share (and, from September 19, 2024 to November 27, 2024, at a conversion price of $9.57 per share, which was temporarily decreased following the completion of the Resolute Transaction pursuant to an automatic adjustment mechanism set forth in the indenture governing the Exchangeable Notes), subject to the terms and conditions of an indenture entered into with the trustee under the indenture. As of November 29, 2024, all $130.0 million aggregate principal amount of the Exchangeable Notes had been exchanged for shares of CompoSecure common stock, no Exchangeable Notes remained outstanding and CompoSecure's long-term debt was reduced from $330.0 million to $200.0 million.

Net Cash Provided by Operations

Cash provided by CompoSecure Holdings' operating activities for the nine months ended September 30, 2024 was $98.4 million compared to cash provided by operating activities of $89.4 million during the nine months ended September 30, 2023. The increase in cash provided by operating activities of $9.0 million was primarily attributable to equity compensation expense of $14.6 million, depreciation and amortization expense of $6.9 million, amortization of deferred financing costs of $0.9 million and changes in working capital resulting in a reduction of $5.9 million. These were augmented by net income of $82.1 million.

Cash provided by CompoSecure Holdings' operating activities for the year ended December 31, 2023 was $117.0 million compared to cash provided by its operating activities of $95.6 million during the year ended December 31, 2022. The increase in cash provided by operating activities of $21.4 million was primarily attributable to net income of $101.2 million, equity compensation expense of $16.6 million, depreciation and amortization expense of $8.4 million and amortization of deferred financing costs of $1.6 million. These increases were partially offset by an inventory reserve of $1.2 million and changes in working capital accounts of $9.7 million.

Net Cash Used in Investing Activities

Cash used in CompoSecure Holdings' investing activities for the nine months ended September 30, 2024 was $5.5 million primarily relating to capital expenditures of $4.8 million and capitalized software expenditures of $0.7 million, compared to cash used in investing activities for the nine months ended September 30, 2023 of $6.7 million.

Cash used in CompoSecure Holdings' investing activities for the year ended December 31, 2023 was $10.9 million, primarily relating to capital expenditures, compared to cash used in investing activities of $9.1 million for the year ended December 31, 2022.

Net Cash Used in Financing Activities

Cash used in CompoSecure Holdings' financing activities for the nine months ended September 30, 2024 was $86.3 million compared to cash used in CompoSecure Holdings' financing activities for the nine months ended September 30, 2023 of $71.5 million. Cash used in financing activities for the nine months ended September 30, 2024 primarily related to tax distributions to partners of $50.1 million, a special distribution to members of $15.6 million, repayment of scheduled principal payments of the term loan of

$10.3 million, payments for taxes related to net share settlement of equity awards of $8.4 million and deferred costs related to debt modification of $1.9 million.

Cash used in CompoSecure Holdings' financing activities for the year ended December 31, 2023 was $76.1 million, compared to cash used in CompoSecure Holdings' financing activities for the year ended December 31, 2022 of $100.1 million. Cash used in financing activities for the year ended December 31, 2023 was primarily attributable to tax distributions to members of $49.9 million, repayment of scheduled term loan principal payments of $22.8 million, payments for taxes related to net share settlement of equity awards of $3.1 million and payment of $0.3 million for costs related to the 2021 Term Loan debt modification.

Cash used for the year ended December 31, 2022 primarily related to payment of issuance costs related to the Business Combination, repayment of scheduled term loan principal payments, repayment of cash withdrawn under the line of credit under the 2021 Credit Facility and distributions to non-controlling interest.

Contractual Obligations

CompoSecure Holdings' long-term contractual obligations include commitments and estimated purchase obligations entered into in the normal course of business, in addition to CompoSecure Holdings' long-term debt and operating leases (see Notes 7, 8 and 14 to the CompoSecure Holdings Audited Financial Statements, and Notes 5 and 11 to the CompoSecure Holdings Interim Financial Statements). As of September 30, 2024, CompoSecure Holdings had inventory-related purchase commitments totaling approximately $32.3 million. As of December 31, 2023, CompoSecure Holdings had inventory-related purchase commitments totaling approximately $36.0 million.

Financing

CompoSecure is a party to the 2024 Credit Facility with various banks and previously issued Exchangeable Notes to certain holders, which Exchangeable Notes are no longer outstanding. For a more complete description of CompoSecure Holdings' debt obligations as of September 30, 2024 and December 31, 2023, see Note 5 to the CompoSecure Holdings Interim Financial Statements and Note 7 to the CompoSecure Holdings Audited Financial Statements, respectively.

Quantitative and Qualitative Disclosures About Market Risk

Resolute Holdings

We expect that any cash held by us prior to our initial receipt of management fees will be invested, if at all, in U.S. government treasury bills, certain money-market funds or other short-term investments, and we believe there will be no associated material exposure to interest rate risk.

CompoSecure

Interest Rate Risk

In addition to existing cash balances and cash provided by operating activities, CompoSecure uses variable rate debt to finance its operations. CompoSecure is exposed to interest rate risk on these debt obligations and a related interest rate swap agreement. As of September 30, 2024, CompoSecure had $200.0 million in debt outstanding under the 2024 Credit Facility, all of which was variable rate debt, and $130.0 million in long-term debt principal outstanding from the issuance of Exchangeable Notes.

CompoSecure Holdings performed a sensitivity analysis based on the principal amount of debt outstanding as of September 30, 2024, as well as the effect of its interest rate swap agreement. In this sensitivity analysis, the change in interest rates is assumed to be applicable for an entire year. An increase or decrease of 100 basis points in the applicable interest rate would cause an increase or decrease in interest expense of approximately $4.0 million on an annual basis.

On January 11, 2022, CompoSecure entered into an interest rate swap agreement to hedge forecasted interest rate payments on its variable rate debt. As of September 30, 2024, CompoSecure had the following interest rate swap agreements (in thousands):

Effective Dates	Notional Amount	Fixed Rate
December 5, 2023 through December 22, 2025	$125,000	1.90%

Under the terms of the interest rate swap agreement, CompoSecure Holdings receives payments based on the greater of one-month SOFR rate, as amended in February 2023, or a minimum of 1.00%. On February 28, 2023, CompoSecure amended the 2021 Credit Facility to, among other things, transition from bearing interest based on LIBOR to SOFR or the Alternate Base Rate (as defined in the 2021 Credit Facility), at the election of CompoSecure, plus an applicable margin. The existing swap converted to SOFR from LIBOR at the same time as the 2021 Credit Facility.

CompoSecure has designated the interest rate swap as a cash flow hedge for accounting purposes that was determined to be effective. CompoSecure determined the fair value of the interest rate swap to be zero at the inception of the agreement and $2.8 million at September 30, 2024. CompoSecure Holdings reflects the realized gains and losses of the actual monthly settlement activity of the interest rate swap in its consolidated statements of operations. CompoSecure Holdings reflects the unrealized changes in fair value of the interest rate swap at each reporting period in other comprehensive income, and a derivative asset or liability is recognized at each reporting period in CompoSecure Holdings' financial statements.

MANAGEMENT

The following table presents information concerning our executive officers and directors following the Spin-Off, including a five-year employment history.

Name	Age	Position
David M. Cote	72	Executive Chairman
Thomas R. Knott	38	Chief Executive Officer and Director
Kurt Schoen	43	Chief Financial Officer
John Cote	43	Director
Joseph J. DeAngelo	63	Director
Roger B. Fradin	71	Director
Paul Galant	56	Director
Brian F. Hughes	66	Director
Mark James	63	Director
Dr. Krishna Mikkilineni	65	Director
Jane J. Thompson	73	Director

Executive Officers

The following are brief biographies describing the backgrounds of our executive officers following the Spin-Off.

David M. Cote. Mr. Cote will be appointed as the Executive Chairman of our Board of Directors in connection with the Spin-Off. He has served as the Executive Chairman of the CompoSecure Board since the completion of the Resolute Transaction on September 17, 2024, and as Co-Chief Investment Officer of CompoSecure since September 25, 2024. In addition, he has served as the Executive Chairman of the board of directors of Vertiv, a digital infrastructure and continuity provider, since February 2020 and as Chief Executive Officer, President and Secretary and Chairman of the board of directors of its predecessor, GSAH I, from April 2018 until February 2020. Mr. Cote previously served as Chairman and Chief Executive Officer of multinational conglomerate Honeywell from July 2002 to March 2017 and subsequently as Executive Chairman of the board of directors of Honeywell until April 2018. He joined Honeywell as President and Chief Executive Officer in February 2002. Prior to joining Honeywell, he served as Chairman, President and Chief Executive Officer of TRW, a provider of products and services for the aerospace, information systems and automotive markets, from August 2001 to February 2002. From February 2001 to July 2001, he served as TRW's President and Chief Executive Officer and from November 1999 to January 2001 he served as its President and Chief Operating Officer. Mr. Cote was Senior Vice President of multinational conglomerate General Electric Company and President and Chief Executive Officer of GE Appliances from June 1996 to November 1999. Mr. Cote was a director of the Federal Reserve Bank of New York from March 2014 to March 2018, as well as a director of Juniper Industrial Holdings, Inc., a special purpose acquisition company, from March 2020 until its merger with Janus International Group Inc. in June 2021. Mr. Cote is the father of Mr. John Cote.

Thomas R. Knott. Mr. Knott will be appointed as the Chief Executive Officer of the Company in connection with the Spin-Off. He has served as a member of the CompoSecure Board since the completion of the Resolute Transaction on September 17, 2024, and as Co-Chief Investment Officer of CompoSecure since September 25, 2024. Mr. Knott previously served as the Head of the Permanent Capital Strategies Group in the Consumer and Investment Management Division of Goldman Sachs, a global investment bank and securities firm, starting in March 2018. He was also the CEO, CFO, Secretary and Director of special purpose acquisition companies GSAH I and GSAH II, respectively. Mr. Knott led all aspects of Goldman Sachs' co-sponsorship of GSAH II from its initial public offering in June 2020 to its merger with Mirion Technologies, a provider of nuclear measurement and detection systems, in October 2021. He also led GSAH I from its initial public offering in June 2018 to its merger with Vertiv in February 2020.

Kurt Schoen. Mr. Schoen will be appointed as the Chief Financial Officer of the Company in connection with the Spin-Off. He currently serves as a Principal — Investment Analyst at CompoSecure, a

role he has held since the Resolute Transaction on September 17, 2024. He previously served from March 2022 to September 2024 as a Principal at I 130 Partners, a private investment firm, taking on operational roles as Interim CEO of Euro-Wall Systems, a manufacturer of premium impact door systems, and Head of M&A at Paschal Air, Plumbing & Electric, an HVAC, plumbing and electrical services company. From March 2016 to July 2021, he was a Senior Equity Analyst at Hightower Advisors, a wealth management firm, after serving as a Senior Equity Analyst at GCI Partners and in equity research at CLSA Americas. Mr. Schoen was previously a Controller at MHR Fund Management, after starting his career at KPMG, and is a CFA Charterholder and CPA.

Board of Directors

Prior to completion of the Spin-Off, we intend to appoint the following director nominees to our Board.

David M. Cote. Mr. Cote's biographical information is set forth above. As our Executive Chairman, and with many years of experience leading global organizations, Mr. Cote has extensive knowledge of the global business environment and is uniquely qualified to understand the opportunities and challenges facing our business.

John Cote. Mr. John Cote will be appointed to our Board in connection with the Spin-Off. He has served as a member of the CompoSecure Board since the completion of the Resolute Transaction on September 17, 2024 and serves as a member of the Nominating and Corporate Governance Committee of the CompoSecure Board. He has served as a Managing Partner and founder of SRM Equity Partners, LLC, a private equity firm, since October 2013. Among his previous roles, Mr. Cote served as the Chief Executive Officer of Industrial Inspection & Analysis, Inc., an inspection, testing and analytical business, from September 2015 to September 2019, and has served as Chairman since September 2015. Mr. Cote brings a background in investment banking from his years at J.P. Morgan Chase & Co, a global investment bank and financial services firm, from 2005 to 2011 where he worked on equity, debt, and M&A transactions in the Natural Resources Coverage group, and where he was a member of the Corporate Client Banking strategy team. Mr. Cote is the son of Mr. David Cote. Mr. Cote was selected to be appointed to serve on our Board due to his deep leadership and investing experience, including in the industrial sector.

Joseph J. DeAngelo. Mr. DeAngelo will be appointed to our Board in connection with the Spin-Off. He has served as a member of the CompoSecure Board since the completion of the Resolute Transaction on September 17, 2024 and serves as the chairperson of the Audit Committee and a member of the Nominating and Corporate Governance Committee of the CompoSecure Board. He has served as a director of Vertiv since October 2022 and as Chairman of the Board, President and Chief Executive Officer of HD Supply Holdings, Inc. ("HDS"), one of the largest industrial distributors in North America, beginning in March 2015. Mr. DeAngelo previously served as President and Chief Executive Officer of HDS beginning January 2005, and was a member of HDS's board beginning August 2007, serving in each position until the closing of the acquisition of HDS by The Home Depot, a home improvement retail corporation, during 2020. Mr. DeAngelo also served as Executive Vice President and Chief Operating Officer of The Home Depot during 2007, and from 2005 to 2006, he served as Executive Vice President of HDS. Mr. DeAngelo was selected to be appointed to serve on our Board due to his extensive leadership, management experience, and industry knowledge.

Roger B. Fradin. Mr. Fradin will be appointed to our Board in connection with the Spin-Off. He has served as a member of the CompoSecure Board since the completion of the Resolute Transaction on September 17, 2024 and serves as the chairperson of the Compensation Committee and a member of the Audit Committee of the CompoSecure Board. He has served as a director of Vertiv since February 2020, and previously as a director of its predecessor GSAH from June 2018. Mr. Fradin previously served in roles of increasing seniority at Honeywell from 2000 until his retirement in 2017, including as President and Chief Executive Officer of Honeywell's Automation and Control Solutions business from January 2004 to April 2014 and as Vice Chairman of Honeywell from April 2014 until February 2017. Mr. Fradin also serves as a consultant for The Carlyle Group, a global investment firm, and an advisor to Seal Rock Partners, a private equity investment firm. Mr. Fradin was selected to be appointed to serve on our Board due to his deep leadership and investing experience, industrial expertise, as well as for his experience overseeing acquisitions.

Paul Galant. Mr. Galant will be appointed to our Board in connection with the Spin-Off. He has served as a member of the CompoSecure Board since September 21, 2022 and serves as a member of the Nominating and Corporate Governance Committee of the CompoSecure Board. Mr. Galant previously served as an Operating Partner of Churchill Capital, a real estate investment banking and investment firm, from January 2020 to January 2024, and served as a member of the board of directors of Vivint Smart Home, Inc., a smart home and security provider, from October 2015 to March 2023. Prior to that, Mr. Galant served as Chief Executive Officer of Brightstar Corp. ("Brightstar"), a leading mobile services company for managing devices and accessories and subsidiary of SoftBank Group Corp., a multinational investment holding company ("SoftBank"), and he has served as an Operating Partner of SoftBank. Prior to joining Brightstar, Mr. Galant was the Chief Executive Officer of VeriFone Systems, Inc., an electronic payment transactions company ("VeriFone"), and was a member of VeriFone's board of directors, since October 2013. Prior to joining VeriFone, Mr. Galant served as the CEO of the Enterprise Payments business of Citigroup Inc., a multinational financial services corporation ("Citigroup"), since 2010. In this role, Mr. Galant oversaw the design, marketing and implementation of global B2C and C2B digital payments solutions. From 2009 to 2010, Mr. Galant served as CEO of Citi Cards, heading Citigroup's North American and International Credit Card and Merchant Acquiring businesses. From 2007 to 2009, Mr. Galant served as CEO of Citi Transaction Services, a division of Citigroup's Institutional Clients Group. From 2002 to 2007, Mr. Galant was the Global Head of the Cash Management business, one of the largest processors of payments globally. Mr. Galant joined Citigroup in 2000. Prior to joining Citigroup, Mr. Galant held positions at Donaldson, Lufkin & Jenrette, Smith Barney, and Credit Suisse. Mr. Galant holds a B.S. in Economics from Cornell University where he graduated a Phillip Merrill Scholar. Mr. Galant was selected to be appointed to serve on our Board due to his valuable experience in the financial services industry and in operations matters.

Brian F. Hughes. Mr. Hughes will be appointed to our Board in connection with the Spin-Off. He has served as a member of the CompoSecure Board since December 27, 2021 and serves as a member of the Audit Committee of the CompoSecure Board. Mr. Hughes currently serves as a director and audit committee chair of both Bentley Systems, an infrastructure engineering software company, and Innovid Corp., an advertising and analytics technology company. Mr. Hughes was previously an audit partner, the national private markets group leader, and venture capital co-leader at KPMG LLP, a multinational audit, tax and advisory services firm, where he worked from 2002 to 2019 and an audit partner at Arthur Andersen where he worked from 1981 to 2002. Mr. Hughes received a Master's in Business Administration and a Bachelor of Science in Economics and Accounting from the Wharton School of the University of Pennsylvania. Mr. Hughes was selected to be appointed to serve on our Board due to his financial expertise, extensive accounting, auditing and venture capital experience as well as his experience as a director and advisor of other companies. Mr. Hughes also has experience in cybersecurity matters, as evidenced by his CERT Certificate in Cybersecurity Oversight from Carnegie Mellon University's Software Engineering Institute.

Mark James. Mr. James will be appointed to our Board in connection with the Spin-Off. He has served as a member of the CompoSecure Board since the completion of the Resolute Transaction on September 17, 2024 and serves as the chairperson of the Nominating and Corporate Governance Committee and a member of the Compensation Committee of the CompoSecure Board. He is the President of Mark James Enterprises, his own executive consulting business. Previously, Mr. James served in roles of increasing seniority at Honeywell for over 20 years before his retirement in July 2020, including nearly 13 years as Chief Human Resources Officer ("CHRO"). Prior to becoming CHRO, Mr. James' prior roles at Honeywell included serving as Vice President of Human Resources and Communications for Honeywell Aerospace, Vice President of Human Resources and Communications for Honeywell Aerospace Electronic Systems, and HR Director of Federal Manufacturing and Technologies. Mr. James was selected to be appointed to serve on our Board due to his deep leadership and management experience, including in the industrial sector.

Thomas R. Knott. Mr. Knott's biographical information is set forth above. As our Chief Executive Officer, and with many years of finance and investment experience, Mr. Knott has extensive knowledge of the public markets and is uniquely qualified to understand and help us achieve our potential future growth opportunities.

Dr. Krishna Mikkilineni. Dr. Mikkilineni will be appointed to our Board in connection with the Spin-Off. He has served as a member of the CompoSecure Board since October 18, 2024, and serves as a member of the Compensation Committee of the CompoSecure Board. Dr. Mikkilineni currently serves as General

Partner of StartupXseed, a deep-tech venture fund, and as Co-Founder of The GAIN, a startup accelerator, roles he has held since 2019 and in which he has been instrumental in funding and growing 30 technology-driven startup companies. Prior to May 2019, Dr. Mikkilineni served in various roles of increasing seniority at Honeywell International, Inc. for over 33 years, including as global Chief Technology Officer, a role he held for nine years, and as global Chief Information Officer, a role he held for six years. Dr. Mikkilineni has been a member of the board of directors of Kone Corporation, a global elevator and escalator company, since 2022. Dr. Mikkilineni received his Ph.D. in electrical and computer engineering from the University of Florida. Dr. Mikkilineni was selected to be appointed to serve on our Board due to his extensive leadership and investing experience, technological expertise, as well as for his experience growing and expanding new businesses.

Jane J. Thompson. Ms. Thompson will be appointed to our Board in connection with the Spin-Off. She has served as a member of the CompoSecure Board since December 27, 2021 and serves as a member of the Nominating and Corporate Governance of the CompoSecure Board. Ms. Thompson is the founder and Chief Executive Officer of Jane J. Thompson Financial Services LLC, a management consulting firm she founded in 2011. From May 2002 to June 2011, Ms. Thompson served as President of Walmart Financial Services, a division of Walmart Stores, Inc. that provides money services, products and solutions to Walmart customers. Previously, she led the Sears Credit, Sears Home Services, and Sears Online groups within Sears, Roebuck & Company, a department store chain, and was a partner with the global consultancy firm McKinsey & Company, Inc. advising consumer companies. Since 2012, Ms. Thompson has served on numerous public and private boards in fintech, financial services and payments. She currently serves as a director for Navient Corporation, an education financing company, and Katapult Holdings, Inc., a financial technology company. Ms. Thompson received a Master's in Business Administration from Harvard Business School and a Bachelor's in Business Administration in Marketing from the University of Cincinnati. Ms. Thompson was selected to be appointed to serve on our Board due to her extensive experience in the fields of fintech, financial services and payments, and management consulting, as well as her experience as a member of various boards of directors.

Our Board Following the Spin-Off, Director Independence and Controlled Company Status

Immediately following the Spin-Off, we expect that our Board will comprise 10 directors. Because Resolute Compo Holdings will control more than 50% of the voting power of Resolute Holdings immediately following the completion of the Spin-Off, we will be a controlled company within the meaning of the corporate governance standards of the Exchange and need not comply with the requirements for a majority of independent directors or for independent compensation and nominating and corporate governance committees. We currently expect our Board to elect to comply with the requirement for a majority of independent directors; however, our Board may from time to time elect to rely on the exemption from such requirement.

Upon completion of the Spin-Off, our Board is expected to consist of such number of directors as shall be determined from time to time solely by resolution of the Board. Our certificate of incorporation, which will be in effect upon the completion of the Spin-Off, provides for a Board comprising three classes of directors, with each class serving a three-year term beginning and ending in different years than those of the other two classes. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. We have not yet set the date of the first annual meeting of stockholders to be held following the Spin-Off.

- Our class I directors will be Mr. John Cote, Mr. Fradin and Ms. Thompson, and their term will expire at the annual meeting of stockholders to be held in 2025.
- Our class II directors will be Mr. DeAngelo, Mr. Hughes, Mr. James and Mr. Knott, and their term will expire at the annual meeting of stockholders to be held in 2026.
- Our class III directors will be Mr. David Cote, Mr. Galant and Dr. Mikkilineni, and their term will expire at the annual meeting of stockholders to be held in 2027.

Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

This classification of our board of directors could make it more difficult for a third party to acquire, or discourage a third party from seeking to acquire, control of us.

We expect that Mr. DeAngelo, Mr. Fradin, Mr. Galant, Mr. Hughes, Mr. James, Dr. Mikkilineni and Ms. Thompson will meet the independence requirements set forth in the listing standards of the Exchange at the time of the Spin-Off.

Committees of the Board

Effective upon the completion of the Spin-Off, our Board will have the following committees, each of which will operate under a written charter that will be posted on our website prior to the Spin-Off. As a "controlled company," we are not required to have a fully independent compensation committee or nominating and corporate governance committee.

Audit Committee

The Audit Committee will be responsible for overseeing reports of our financial results, audit reporting, internal controls and adherence to our code of conduct in compliance with applicable laws and regulations. Concurrent with that responsibility, as set out more fully in the Audit Committee charter, the Audit Committee will perform other functions, including:

- selecting the independent registered public accounting firm, approving all related fees and compensation, overseeing the work of the independent accountant and reviewing its selection with the Board;
- annually preapproving the proposed services to be provided by the accounting firm during the year;
- reviewing the procedures of the independent registered public accounting firm for ensuring its independence and other qualifications with respect to the services performed for us;
- assessing transactions with related persons under our related party transactions policy;
- reviewing any significant changes in accounting principles or developments in accounting practices and the effects of those changes upon our financial reporting;
- assessing the effectiveness of our internal audit function, which is overseen by the Audit Committee, and overseeing the adequacy of internal controls and risk management processes;
- assessing our cybersecurity and enterprise risk management practices at least annually and overseeing associated compliance monitoring; and
- meeting with management prior to each quarterly earnings release and periodically to discuss the appropriate approach to earnings press releases and the type of financial information and earnings guidance to be provided to analysts and rating agencies.

The Audit Committee will have at least three members and will consist entirely of independent directors, each of whom will meet the independence requirements set forth in the listing standards of the Exchange, Rule 10A-3 under the Exchange Act and our Audit Committee charter. Each member of the Audit Committee will be financially literate, and at least one member of the Audit Committee will have accounting and related financial management expertise and satisfy the criteria to be an "audit committee financial expert" under the rules and regulations of the SEC, as those qualifications are interpreted by our Board in its business judgment. Upon completion of the Spin-Off, we expect our Audit Committee will consist of Mr. DeAngelo, Mr. Fradin and Mr. Hughes, with Mr. DeAngelo serving as chair.

Compensation Committee

The Compensation Committee will have responsibility for defining and articulating our overall executive compensation philosophy and key compensation policies, and administering and approving all elements of compensation for corporate officers. Concurrent with that responsibility, as set out more fully in the Compensation Committee charter, the Compensation Committee will perform other functions, including:

- reviewing and approving the corporate goals and objectives relevant to the Chief Executive Officer's compensation and evaluating performance in light of those goals and objectives;
- determining and approving, and recommending to the Board for approval, the compensation of the Chief Executive Officer;
- determining and approving, or together with the other independent directors (as directed by the Board) determining and approving, the compensation of all of our other executive officers;
- reviewing our management resources programs (including our human capital management and diversity and inclusion practices), succession planning, and recommending qualified candidates for election as officers;
- approving, by direct action or through delegation, participation in and all awards, grants, and related actions under our various equity plans;
- reviewing our non-management director compensation practices;
- reviewing the compensation structure for our officers and providing oversight of management's decisions regarding the performance and compensation of other employees; and
- monitoring compliance with stock ownership and clawback guidelines.

Upon completion of the Spin-Off, we expect our Compensation Committee will consist of Mr. Fradin, Dr. Mikkilineni, Mr. James and Mr. Knott, with Mr. Fradin serving as chair. Because we are a "controlled company" under the Nasdaq listing rules, our Compensation Committee is not required to be fully independent, although, if such rules change in the future or we no longer meet the definition of a controlled company under the current rules, we will adjust the composition of the Compensation Committee accordingly in order to comply with such rules.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee will be devoted primarily to the continuing review, definition, and articulation of our governance structure and practices. Concurrent with that responsibility, as set out more fully in the Nominating and Corporate Governance Committee charter, the Nominating and Corporate Governance Committee will perform other functions, including:

- identifying and screening individuals qualified to become members of the Board;
- overseeing the policies and procedures with respect to the consideration of director candidates recommended by stockholders;
- overseeing the organization of the Board to discharge the Board's duties and responsibilities properly and efficiently; and
- developing and recommending to the Board a set of corporate governance guidelines and principles.

Upon completion of the Spin-Off, we expect our Nominating and Corporate Governance Committee will consist of Mr. James, Mr. John Cote, Mr. DeAngelo, Mr. Galant and Ms. Thompson, with Mr. James serving as chair. Because we are a "controlled company" under the Nasdaq listing rules, our Nominating and Corporate Governance Committee is not required to be fully independent, although, if such rules change in the future or we no longer meet the definition of a controlled company under the current rules, we will adjust the composition of the Nominating and Corporate Governance Committee accordingly in order to comply with such rules.

Code of Conduct

Prior to the completion of the Spin-Off, we will adopt a written code of conduct for directors, executive officers, employees and subsidiaries or controlled affiliates where we own more than 50% of the voting rights in similar form and substance to that which CompoSecure has in place. The code of conduct will be designed to deter wrongdoing and to promote, among other things:

- protection of the health and safety of our workforce;

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships and working with suppliers based on lawful and fair practices;
- protection of client and third-party information in compliance with applicable privacy and data security requirements;
- compliance with applicable laws, rules, regulations and recordkeeping requirements;
- full, fair, accurate, timely and understandable disclosure in reports filed with regulators and in other public communications; and
- accountability for adherence to the code of conduct and prompt internal reporting of any possible violation of the code of conduct.

Director Nomination Process

Our initial Board is being selected through a process involving both CompoSecure and us. The initial directors who will serve after the Spin-Off will begin their terms at the time of the Spin-Off, with the exception of one independent director, who will begin his or her term prior to the date on which "when-issued" trading of our common stock commences and who will serve on our Audit Committee.

Corporate Governance Guidelines

The Board will adopt a set of corporate governance guidelines in connection with the Spin-Off to assist it in guiding our governance practices, which will be regularly reviewed by the Nominating and Corporate Governance Committee. These guidelines will cover a number of areas, including Board independence, leadership, composition, responsibilities and operations; director compensation; Chief Executive Officer evaluation and succession planning; Board committees; director orientation and continuing education; director access to management and independent advisors; annual Board and committee evaluations; the Board's communication policy; and other matters. A copy of our corporate governance guidelines will be posted on our website.

Communications with Non-Management Members of the Board

After the Spin-Off, stockholders and other interested parties may communicate with the Board, individual directors, the non-management directors as a group, or with the Chairman, by sending an email to .

Compensation Committee Interlocks and Insider Participation

None of our executive officers has served as a member of a compensation committee (or, if no committee performs that function, a board) of any other entity that has an executive officer serving as a member of our Board.

DIRECTOR COMPENSATION

We expect that our Board will approve an initial director compensation program (the "*Director Compensation Policy*"), to become effective in connection with the consummation of the Spin-Off, pursuant to which each of our non-employee directors will receive an initial equity award in connection with the Spin-Off and an annual equity award in connection with their services. In addition, each director will be reimbursed for out-of-pocket travel expenses incurred in connection with attending Board or committee meetings.

Compensation of Non-Employee Directors

The Director Compensation Policy provides that each non-employee director will receive an initial equity award of Options with a value of $50,000, granted on the date such non-employee director commences service on the Board (the "*Initial Equity Award*"). Additionally, the Director Compensation Policy provides that non-employee directors will be granted, on an annual basis, Options with a value of $100,000 effective on the date of each annual meeting (or, in the case of a non-employee director who joins the Board after the occurrence of the annual meeting for the year of their appointment to the Board, a pro-rata amount based on their appointment date) (the "*Annual Equity Award*"). The Initial Equity Award and the Annual Equity Award each vest in equal annual installments over four years commencing on the first anniversary of the date on which the award is granted.

Our non-employee directors will continue to dedicate most of their time to their service on the CompoSecure Board. While they will receive compensation for service on each board, their total compensation is weighted toward performance of CompoSecure.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

As discussed above, we are currently part of CompoSecure and not an independent company. Decisions about the compensation and benefits payable to the individuals who will become our executive officers have been made by the CompoSecure Board. Following the Spin-Off, we expect that our Board and Compensation Committee will review our executive compensation and benefit programs and determine the appropriate compensation and benefits for our executives.

For purposes of this Compensation Discussion and Analysis and the disclosure that follows, we do not have any "Named Executive Officers" for 2024. All of our executive officers will have joined the Company after year-end 2023 and, therefore, they will not have been named executive officers of the Company in 2024. None of the tabular compensation disclosure requirements of the SEC's compensation disclosure rules are applicable in our situation. Information on the compensation arrangements of our Named Executive Officers for 2024 will be provided in our first proxy statement following the Spin-Off.

As disclosed elsewhere in this Information Statement, we are currently in the process of identifying the individuals who will serve as our executive officers following completion of the Spin-Off. As of the date of this filing, we have identified the following individuals who are expected to serve in executive officer positions:

David Cote will serve as our Executive Chairman.

Tom Knott will serve as our Chief Executive Officer.

Kurt Schoen will serve as our Chief Financial Officer.

While Mr. Cote, Mr. Knott and Mr. Schoen commenced employment with CompoSecure in 2024, only Mr. Cote was an executive officer of CompoSecure. In addition, since all of the individuals listed above were not employed by CompoSecure or the Company in 2023, they are not Named Executive Officers of the Company for 2024.

The terms of Mr. Cote's, Mr. Knott's and Mr. Schoen's offer letters are summarized below in the section entitled "Offer Letters of Our Executive Officers."

Offer Letters of Our Executive Officers

CompoSecure has entered into an offer letter with each of the identified Company executive officers (the "Offer Letters"). In connection with the Spin-Off, the Offer Letters will be amended and restated to reflect the transfer of Mr. Cote's, Mr. Knott's and Mr. Schoen's employment to the Company and their new executive officer positions and shall be referred to herein as the "A&R Offer Letters."

A&R Offer Letter with David Cote. In connection with or following the Spin-Off, Mr. Cote will continue to serve on the CompoSecure Board as the Executive Chairman and serve as Co-Chief Investment Officer of CompoSecure and will also serve as the Executive Chairman of the Company. Pursuant to his A&R Offer Letter, Mr. Cote is eligible to: (i) receive an annual salary of $750,000, which will be paid by the Company; (ii) receive an annual cash bonus with a target bonus amount equal to 125% of base salary, which will be paid by the Company; (iii) receive annual discretionary equity incentive awards from CompoSecure (in addition to the October 1, 2024 sign-on stock option award to purchase CompoSecure shares with a grant date value of $6 million, vesting 1/4 annually over four years, with full acceleration upon a termination by the Company without Cause (as defined in the A&R Offer Letter), by Mr. Cote for Good Reason (as defined in the A&R Offer Letter) or due to death or disability that Mr. Cote received upon the commencement of his employment with CompoSecure); and (iv) participate in general Company employee benefit programs. The A&R Offer Letter subjects Mr. Cote to a perpetual confidentiality covenant and does not provide for any severance in the event of his involuntary termination.

A&R Offer Letter with Tom Knott. In connection with or following the Spin-Off, Mr. Knott will continue to serve on the CompoSecure Board and serve as the Chief Investment Officer of CompoSecure and will also serve as the Chief Executive Officer of the Company. Pursuant to his A&R Offer Letter, Mr. Knott is eligible to: (i) receive an annual salary of $750,000, which will be paid by the Company;

(ii) receive an annual cash bonus with a target bonus amount equal to 100% of base salary, which will be paid by the Company; (iii) receive annual discretionary equity incentive awards from CompoSecure (in addition to the October 1, 2024 sign-on stock option award to purchase CompoSecure shares with a grant date value of $6 million, vesting 1/4 annually over four years, with full acceleration upon a termination by the Company without Cause (as defined in the A&R Offer Letter), by Mr. Knott for Good Reason (as defined in the A&R Offer Letter) or due to death or disability that Mr. Knott received upon the commencement of his employment with CompoSecure); and (iv) participate in general Company employee benefit programs. The A&R Offer Letter subjects Mr. Knott to a 12-month post-termination non-competition covenant (unless he is terminated without Cause or resigns for Good Reason, in which case the non-competition provision shall not apply), a 12-month post-termination non-solicitation of employees or investors covenant and customary non-disparagement, confidentiality and IP assignment obligations. The A&R Offer Letter does not provide for any severance in the event of an involuntary termination.

A&R Offer Letter with Kurt Schoen. In connection with the Spin-Off, Mr. Schoen's employment will be transferred to the Company where he will serve as the Chief Financial Officer of the Company. Pursuant to his A&R Offer Letter, Mr. Schoen is eligible to: (i) receive an annual salary of $500,000, which will be paid by the Company; (ii) receive an annual cash bonus with a target bonus amount equal to 100% of base salary, which will be paid by the Company; (iii) receive annual discretionary equity incentive awards from CompoSecure (in addition to the October 1, 2024 sign-on restricted stock unit award with a grant date value of $5.5 million, vesting in substantially equal installments on each of the third, fifth and seventh anniversaries of the grant date, with full acceleration upon a termination due to death or disability and pro rata acceleration upon a termination by the Company without Cause (as defined in the A&R Offer Letter), that Mr. Schoen received upon the commencement of his employment with CompoSecure); and (iv) participate in general Company employee benefit programs. The A&R Offer Letter subjects Mr. Schoen to a 24-month post-termination non-competition covenant, a 24-month post-termination non-solicitation of employees or investors covenant and customary non-disparagement, confidentiality and IP assignment obligations. In the event of a termination by the Company without Cause, Mr. Schoen is entitled to a lump-sum payment equal to three months' base salary and pro-rata vesting of Mr. Schoen's sign-on restricted stock unit award.

Post-Spin-Off Omnibus Incentive Plan

2025 Omnibus Incentive Plan

In connection with the Spin-Off, our Board expects to adopt, and we expect CompoSecure to approve, our 2025 Omnibus Incentive Plan (the "Omnibus Incentive Plan") to become effective in connection with the consummation of the Spin-Off for the benefit of certain of our current and future employees and other service providers. The following summary describes what we anticipate will be the material terms of the Omnibus Incentive Plan, and is qualified in its entirety by reference to the Omnibus Incentive Plan, the form of which is filed as an exhibit to the Registration Statement of which this Information Statement forms a part.

Administration. Our Board or, if the Board has delegated power to act on its behalf to any other person(s) or body, such person(s) or body will administer the Omnibus Incentive Plan. The Board or such person(s) or body to which it has delegated its authority will be referred to as the "administrator." The administrator will have the authority to determine the terms and conditions of any agreements evidencing any awards granted under the Omnibus Incentive Plan and to adopt, alter and repeal rules, guidelines and practices relating to the Omnibus Incentive Plan. The administrator will have full discretion to administer and interpret the Omnibus Incentive Plan and to adopt such rules, regulations and procedures as it deems necessary or advisable and to determine, among other things, the time or times at which the awards may be settled or exercised and whether and under what circumstances an award may be settled or exercised.

Eligibility. Any current or prospective employees, directors, officers, consultants or advisors of the Company or its affiliates who are selected by the administrator will be eligible for awards under the Omnibus Incentive Plan. The administrator will have the sole and complete authority to determine who will be granted an award under the Omnibus Incentive Plan.

Number of Shares Authorized. Pursuant to the Omnibus Incentive Plan, we have reserved an aggregate of shares of our common stock for issuance of awards to be granted thereunder. The Omnibus Incentive Plan provides for an annual increase in the number of shares of our common stock available for issuance on the first day of each fiscal year during the period beginning in fiscal year 2026 and ending in fiscal year 2035 or another date selected by the administrator during such fiscal year. The annual increase in the number of shares will be equal to the lesser of (i) 5% of the number of shares of our common stock outstanding on the last day of the immediately preceding fiscal year and (ii) such number of shares determined by the administrator. No more than shares of our common stock may be issued with respect to incentive stock options under the Omnibus Incentive Plan. The maximum grant date fair value of cash and equity awards that may be awarded to a non-employee director under the Omnibus Incentive Plan during any one fiscal year, taken together with any cash fees paid to such non-employee director during such fiscal year, will be $750,000, provided that the foregoing limitation shall be increased to $1,000,000 in the year in which the non-employee director is appointed to the Board. If any award granted under the Omnibus Incentive Plan expires, terminates, is cash settled, or is canceled or forfeited without being settled, vested or exercised, shares of our common stock subject to such award will again be made available for future grants. Shares of our common stock withheld by, or otherwise remitted to, the Company to satisfy a participant's tax withholding obligations, as full or partial payment upon the exercise of stock options, upon the lapse of restrictions on, or settlement of, an award or shares reserved for issuance upon the grant of stock appreciation rights ("SARs"), to the extent that the number of reserved shares exceeds the number of shares actually issued upon the exercise of the SARs, will again be available for awards under the share pool.

Change in Capitalization. If there is a change in our capitalization in the event of a stock or extraordinary cash dividend, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of shares of our common stock or other relevant change in capitalization or applicable law or circumstances, such that the administrator determines that an adjustment to the terms of the Omnibus Incentive Plan (or awards thereunder) is necessary or appropriate, then the administrator shall make adjustments in a manner that it deems equitable. Such adjustments may be to the number of shares reserved for issuance under the Omnibus Incentive Plan, the number of shares covered by awards then outstanding under the Omnibus Incentive Plan, the limitations on awards under the Omnibus Incentive Plan, the exercise price of outstanding options, or any applicable performance measures (including, without limitation, performance conditions and performance periods), or such other equitable substitution or adjustments as the administrator may determine appropriate.

Awards Available for Grant. The administrator may grant awards of non-qualified stock options, incentive (qualified) stock options, SARs, restricted stock awards, restricted stock units, other stock-based awards, other cash-based awards or any combination of the foregoing. Awards may be granted under the Omnibus Incentive Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by the Company or with which the Company combines, which are referred to herein as "Substitute Awards." All awards granted under the Omnibus Incentive Plan will vest and become exercisable in such manner and on such date or dates or upon such event or events as determined by the administrator. All awards granted under the Omnibus Incentive Plan will vest and become exercisable in such manner and on such date or dates or upon such event or events as determined by the administrator.

Stock Options. The administrator will be authorized to grant options to purchase shares of our common stock that are either "qualified," meaning they are intended to satisfy the requirements of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), for incentive stock options, or "non-qualified," meaning they are not intended to satisfy the requirements of Section 422 of the Code. All options granted under the Omnibus Incentive Plan shall be non-qualified unless the applicable award agreement expressly states that the option is intended to be an incentive stock option. Options granted under the Omnibus Incentive Plan will be subject to the terms and conditions established by the administrator. Under the terms of the Omnibus Incentive Plan, the exercise price of the options will not be less than the fair market value (or 110% of the fair market value in the case of a qualified option granted to a 10% stockholder) of our common stock at the time of grant (except with respect to Substitute Awards). Options granted under the Omnibus Incentive Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the administrator and specified in the applicable award agreement. The maximum term of an option granted under the Omnibus Incentive Plan will

be 10 years from the date of grant (or five years in the case of a qualified option granted to a 10% stockholder), provided that if the term of a non-qualified option would expire at a time when trading in the shares of our common stock is prohibited by the Company's insider trading policy, the option's term shall be extended automatically until the 30th day following the expiration of such prohibition (as long as such extension shall not violate Section 409A of the Code). Payment in respect of the exercise of an option may be made in cash, by check, by cash equivalent and/or by delivery of shares of our common stock valued at the fair market value at the time the option is exercised, or any combination of the foregoing, provided that such shares are not subject to any pledge or other security interest, or by such other method as the administrator may permit in its sole discretion, including: (i) by delivery of other property having a fair market value equal to the exercise price and net of all applicable required withholding taxes; (ii) if there is a public market for the shares of our common stock at such time, by means of a broker-assisted cashless exercise mechanism; or (iii) by means of a "net exercise" procedure effected by withholding the minimum number of shares otherwise deliverable in respect of an option that are needed to pay the exercise price and all applicable required withholding taxes. In all events of cashless or net exercise, any fractional shares of common stock will be settled in cash.

Stock Appreciation Rights. The administrator will be authorized to award SARs under the Omnibus Incentive Plan. SARs will be subject to the terms and conditions established by the administrator. A SAR is a contractual right that allows a participant to receive, in the form of either cash, shares or any combination of cash and shares, the appreciation, if any, in the value of a share over a certain period of time. An option granted under the Omnibus Incentive Plan may include SARs, and SARs may also be awarded to a participant independent of the grant of an option. SARs granted in connection with an option shall be subject to terms similar to the option corresponding to such SARs, including with respect to vesting and expiration. Except as otherwise provided by the administrator (in the case of Substitute Awards or SARs granted in tandem with previously granted options), the exercise price per share of our common stock underlying each SAR shall not be less than 100% of the fair market value of such share, determined as of the date of grant, and the maximum term of a SAR granted under the Omnibus Incentive Plan will be 10 years from the date of grant.

Restricted Stock. The administrator will be authorized to grant restricted stock under the Omnibus Incentive Plan, which will be subject to the terms and conditions established by the administrator. Restricted stock is common stock that is generally non-transferable and is subject to other restrictions determined by the administrator for a specified period. Any accumulated dividends will be payable at the same time that the underlying restricted stock vests.

Restricted Stock Unit Awards. The administrator will be authorized to grant restricted stock unit awards, which will be subject to the terms and conditions established by the administrator. A restricted stock unit award, once vested, may be settled in a number of shares of our common stock equal to the number of units earned, in cash equal to the fair market value of the number of shares of our common stock earned in respect of such restricted stock unit award or in a combination of the foregoing, at the election of the administrator. Restricted stock units may be settled at the expiration of the period over which the units are to be earned or at a later date selected by the administrator. To the extent provided in an award agreement, the holder of outstanding restricted stock units shall be entitled to be credited with dividend equivalent payments upon the payment by us of dividends on shares of our common stock, either in cash or, at the sole discretion of the administrator, in shares of our common stock having a fair market value equal to the amount of such dividends (or a combination of cash and shares), and interest may, at the sole discretion of the administrator, be credited on the amount of cash dividend equivalents at a rate and subject to such terms as determined by the administrator, which accumulated dividend equivalents (and interest thereon, if applicable) shall be payable at the same time that the underlying restricted stock units are settled.

Deferred Awards. The administrator will be authorized to grant deferred awards, which may be a right to receive shares or cash (either independently or as an element of or supplement to any other award), including, as may be required by any applicable law or regulations or determined by the administrator, in lieu of any annual bonus, commission or retainer plan or arrangement under such terms and conditions as the administrator may determine and as set forth in the applicable award agreement.

Other Stock-Based Awards. The administrator will be authorized to grant awards of unrestricted shares of our common stock, rights to receive grants of awards at a future date, other awards denominated

in shares of our common stock, or awards that provide for cash payments based in whole or in part on the value of our common stock under such terms and conditions as the administrator may determine and as set forth in the applicable award agreement.

Effect of a Change in Control. In the event of a change in control (as defined in the Omnibus Incentive Plan), the administrator may provide for, with respect to any outstanding awards, any of the following treatments: (i) continuation or assumption of such outstanding awards under the Omnibus Incentive Plan by the Company (if it is the surviving corporation) or by the surviving corporation or its parent; (ii) substitution by the surviving corporation or its parent of awards with substantially the same terms and value for such outstanding awards (in the case of an option or SAR, the intrinsic value at grant of such Substitute Award shall equal the intrinsic value of the award); (iii) acceleration of the vesting (including the lapse of any restrictions, with any performance criteria or other performance conditions, deemed met at such level of achievement as determined by the administrator) or right to exercise such outstanding awards immediately prior to or as of the date of the change in control, and the expiration of such outstanding awards to the extent not timely exercised by the date of the change in Control or other date thereafter designated by the administrator; or (iv) cancellation of any outstanding award and payment to the participant who holds such award in an amount equal to the intrinsic value of such award (which may be equal to but not less than zero), which, if in excess of zero, shall be payable upon the effective date of such change in control including, for the avoidance of doubt, the termination of any option or SAR for which the exercise or hurdle price is equal to or exceeds the per share value of the consideration to be paid in the change in control transaction, without payment or consideration therefor. Notwithstanding the above, the administrator shall exercise such discretion over the timing of settlement of any award subject to Section 409A of the Code at the time such award is granted.

Non-Transferability. Each award may be exercised during the participant's lifetime by the participant or, if permissible under applicable law, by the participant's guardian or legal representative. No award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a participant other than by will or by the laws of descent and distribution unless the administrator permits the award to be transferred to a permitted transferee (as defined in the Omnibus Incentive Plan).

Amendment. The Omnibus Incentive Plan will have a term of 10 years. The administrator may amend, suspend or terminate the Omnibus Incentive Plan at any time, subject to stockholder approval if necessary to comply with any tax, exchange rules, or other applicable regulatory requirement. No amendment, suspension or termination will materially and adversely affect the rights of any participant or recipient of any award without the consent of the participant or recipient unless the administrator determines that such amendment, suspension or termination is either required or advisable in order for the Company, the Plan or an award to satisfy any applicable law, regulation, the Nasdaq listing rules or the rules of any other securities exchange or inter-dealer quotation service on which our common stock is listed or quoted.

The administrator may, to the extent consistent with the terms of the Omnibus Incentive Plan, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any award granted or the associated award agreement, prospectively or retroactively, except that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any participant with respect to any award granted will not to that extent be effective without the consent of the affected participant; and provided, further, that, in the event the Company is no longer a "controlled company" (as such term is defined under the Nasdaq listing rules or any other securities exchange or inter-dealer quotation service on which the common stock is listed or quoted), without stockholder approval: (i) no amendment or modification may reduce the exercise price of any option or the exercise price of any SAR; (ii) the administrator may not cancel any outstanding option and replace it with a new option (with a lower exercise price) or cancel any SAR and replace it with a new SAR (with a lower exercise price) or, in each case, with another award or cash in a manner that would be treated as a repricing (for compensation disclosure or accounting purposes); (iii) the administrator may not take any other action considered a repricing for purposes of the stockholder approval rules of the applicable securities exchange on which our common shares are listed; and (iv) the administrator may not cancel any outstanding option or SAR that has a per-share exercise price or exercise price (as applicable) at or above the fair market value of a share of our common stock on the date of cancellation and pay any consideration to the holder thereof. However, stockholder approval is not required with respect to clauses (i), (ii), (iii) and (iv) above with respect to certain adjustments on changes in capitalization.

Clawback/Forfeiture. The administrator will have full authority to implement any policies and procedures necessary to comply with Section 10D of the Exchange Act and any rules promulgated thereunder and any other regulatory regimes. The administrator may, to the extent permitted by applicable law and stock exchange rules or by any applicable Company policy or arrangement, and shall, to the extent required, cancel or require reimbursement of any awards granted to the participant or any shares issued or cash received upon vesting, exercise or settlement of any such awards or sale of shares underlying such awards. By accepting an award, the participant agrees that the participant is subject to any clawback policies of the Company in effect from time to time.

Whistleblower Acknowledgments. Nothing in the Omnibus Incentive Plan or award agreement will (i) prohibit a participant from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Exchange Act or Section 806 of the Sarbanes-Oxley Act, or of any other whistleblower protection provisions of federal law or regulation, or (ii) require prior approval by the Company or any of its affiliates of any reporting described in clause (i).

U.S. Federal Income Tax Consequences

The following is a general summary of the material U.S. federal income tax consequences of the grant, exercise and vesting of awards under the Omnibus Incentive Plan and the disposition of shares acquired pursuant to the exercise or settlement of such awards and is intended to reflect the current provisions of the Code and the regulations thereunder. This summary is not intended to be a complete statement of applicable law, nor does it address foreign, state, local or payroll tax considerations. This summary assumes that all awards described in the summary are exempt from, or comply with, the requirement of Section 409A of the Code.

Moreover, the U.S. federal income tax consequences to any particular participant may differ from those described herein by reason of, among other things, the particular circumstances of such participant.

Stock Options. Holders of incentive stock options will generally incur no federal income tax liability at the time of grant or upon vesting or exercise of those options. However, the spread at exercise will be an "item of tax preference," which may give rise to "alternative minimum tax" liability for the taxable year in which the exercise occurs. If the holder does not dispose of the shares before the later of two years following the date of grant and one year following the date of exercise, the difference between the exercise price and the amount realized upon disposition of the shares will constitute long-term capital gain or loss, as the case may be. Assuming the holding period is satisfied, no deduction will be allowed to us for federal income tax purposes in connection with the grant or exercise of the incentive stock option. If, within two years following the date of grant or within one year following the date of exercise, the holder of shares acquired through the exercise of an incentive stock option disposes of those shares, the participant will generally realize taxable compensation at the time of such disposition equal to the difference between the exercise price and the lesser of the fair market value of the share on the date of exercise or the amount realized on the subsequent disposition of the shares, and that amount will generally be deductible by us for federal income tax purposes, subject to the possible limitations on deductibility under Sections 280G and 162(m) of the Code for compensation paid to executives designated in those Sections. Finally, if an incentive stock option becomes first exercisable in any one year for shares having an aggregate value in excess of $100,000 (based on the grant date value), the portion of the incentive stock option in respect of those excess shares will be treated as a non-qualified stock option for federal income tax purposes.

No income will be realized by a participant upon grant or vesting of an option that does not qualify as an incentive stock option ("a non-qualified stock option"). Upon the exercise of a non-qualified stock option, the participant will recognize ordinary compensation income in an amount equal to the excess, if any, of the fair market value of the underlying exercised shares over the option exercise price paid at the time of exercise, and the participant's tax basis will equal the sum of the compensation income recognized and the exercise price. We will be able to deduct this same excess amount for U.S. federal income tax purposes, but such deduction may be limited under Sections 280G and 162(m) of the Code for compensation paid to certain executives designated in those Sections. In the event of a sale of shares received upon the exercise of a non-qualified stock option, any appreciation or depreciation after the exercise date generally will be taxed as capital gain or loss and will be long-term gain or loss if the holding period for such shares is more than one year.

SARs. No income will be realized by a participant upon grant or vesting of a SAR. Upon the exercise of a SAR, the participant will recognize ordinary compensation income in an amount equal to the fair market value of the payment received in respect of the SAR. We will be able to deduct this same amount for U.S. federal income tax purposes, but such deduction may be limited under Sections 280G and 162(m) of the Code for compensation paid to certain executives designated in those Sections.

Restricted Stock. A participant will not be subject to tax upon the grant of an award of restricted stock unless the participant otherwise elects to be taxed at the time of grant pursuant to Section 83(b) of the Code. On the date an award of restricted stock becomes transferable or is no longer subject to a substantial risk of forfeiture (*i.e.*, the vesting date), the participant will have taxable compensation equal to the difference between the fair market value of the shares on that date over the amount the participant paid for such shares, if any, unless the participant made an election under Section 83(b) of the Code to be taxed at the time of grant. If the participant made an election under Section 83(b), the participant will have taxable compensation at the time of grant equal to the difference between the fair market value of the shares on the date of grant over the amount the participant paid for such shares, if any. If the election is made, the participant will not be allowed a deduction for amounts subsequently required to be returned to us. (Special rules apply to the receipt and disposition of restricted shares received by officers and directors who are subject to Section 16(b) of the Exchange Act.) We will be able to deduct, at the same time as it is recognized by the participant, the amount of taxable compensation to the participant for U.S. federal income tax purposes, but such deduction may be limited under Sections 280G and 162(m) of the Code for compensation paid to certain executives designated in those Sections.

Restricted Stock Units. A participant will not be subject to tax upon the grant or vesting of a restricted stock unit award. Rather, upon the delivery of shares or cash pursuant to a restricted stock unit award, the participant will have taxable compensation equal to the fair market value of the number of shares (or the amount of cash) the participant actually receives with respect to the award. We will be able to deduct the amount of taxable compensation to the participant for U.S. federal income tax purposes, but the deduction may be limited under Sections 280G and 162(m) of the Code for compensation paid to certain executives designated in those Sections.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the date of this Information Statement, CompoSecure beneficially owns all of the outstanding shares of our common stock. The following table provides information regarding the anticipated beneficial ownership of our common stock at the time of the Spin-Off by:

- each of our directors;
- each of our named executive officers;
- all of our directors and executive officers as a group; and
- each of our stockholders whom we believe (based on the assumptions described below) will beneficially own more than 5% of our outstanding common stock.

Except as otherwise noted below, we based the share amounts on each person's beneficial ownership of CompoSecure common stock on , 2025, giving effect to a Spin-Off ratio of shares of our common stock for every shares of CompoSecure common stock.

Except as otherwise noted in the footnotes below, each person or entity identified in the table has sole voting and investment power with respect to the securities beneficially owned.

Immediately following the Spin-Off, we estimate that approximately shares of our common stock will be issued and outstanding, based on the approximately shares of CompoSecure common stock outstanding on , 2025. The actual number of shares of our common stock that will be outstanding following the completion of the Spin-Off will be determined on , 2025.

	Amount and Nature of Beneficial Ownership	Percentage of Class
Directors and Named Executive Officers[1]		
David M. Cote[2]		%
Kurt Schoen		%
Thomas R. Knott[3]		%
John Cote[3]		%
Joseph J. DeAngelo		%
Roger B. Fradin		%
Paul Galant		%
Brian F. Hughes		%
Mark James		%
Dr. Krishna Mikkilineni		%
Jane J. Thompson		%
Directors and Executive Officers as a Group		%
Principal Stockholders		
Resolute Compo Holdings[3]		%
LMR Partners[4]		%

* Less than 1%.

(1) Unless otherwise specified, the address for all persons is c/o Resolute Holdings Management, Inc., 445 Park Avenue, Suite 15F, New York, NY 10022.

(2) Includes shares of CompoSecure common stock owned by Mr. Cote's spouse.

(3) Based on a Schedule 13D filed with the SEC by Resolute Compo Holdings, Tungsten 2024 LLC ("Tungsten"), John Cote and Thomas Knott on September 19, 2024 with respect to CompoSecure common stock. Resolute Compo Holdings is the record holder of 49,290,409 shares of CompoSecure common stock. Tungsten is the managing member of Resolute Compo Holdings, Mr. John Cote is the manager of Tungsten and Mr. Knott is a member of Resolute Compo Holdings. Tungsten, as managing member, has the right to vote and dispose of the shares of CompoSecure common stock reported herein, subject to certain consultation rights held by Mr. Knott. Accordingly, Tungsten, Mr. John Cote and Mr. Knott may each be deemed to share beneficial ownership of the shares of CompoSecure common stock held of record by Resolute Compo Holdings. Ridge Valley LLC, of which Mr. John Cote serves as manager, is the record holder of 1,500,000 shares of CompoSecure common stock. Mr. John Cote may be deemed to share beneficial ownership of the shares of CompoSecure common stock held of record by Ridge Valley LLC. The address of each of Resolute Compo Holdings, Tungsten, Mr. Cote and Mr. Knott is 445 Park Avenue, Suite 15F, New York, NY 10022.

(4) Based on a Schedule 13G/A filed with the SEC by LMR Partners LLP, LMR Partners Limited, LMR Partners LLC, LMR Partners AG, LMR Partners (DIFC) Limited, LMR Partners (Ireland) Limited, Ben Levine and Stefan Renold (collectively, the "LMR Partners Stockholders") on November 14, 2024 with respect to CompoSecure common stock. The LMR Partners Stockholders reported that they had shared voting power over 6,465,733 shares of CompoSecure common stock and shared dispositive power over 6,465,733 shares of CompoSecure common stock. The address of each of the LMR Partners Stockholders is LMR Partners, LLP, 9th Floor, Devonshire House, 1 Mayfair Place, London, W1J8AJ, United Kingdom.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

CompoSecure Management Agreement

Prior to our separation from CompoSecure, we intend to enter into the CompoSecure Management Agreement with CompoSecure Holdings, pursuant to which we will become responsible for managing the day-to-day business and operations, and overseeing the strategy, of CompoSecure Holdings and its subsidiaries, effective as of the completion of the Spin-Off.

The following is a summary of the material provisions of the CompoSecure Management Agreement. This summary is qualified in its entirety by the CompoSecure Management Agreement, the form of which is filed as an exhibit to the Registration Statement of which this Information Statement forms a part. You are urged to read the CompoSecure Management Agreement in its entirety. This summary of the CompoSecure Management Agreement has been included to provide CompoSecure's stockholders with information regarding its terms. The rights and obligations of the parties are governed by the express terms of the CompoSecure Management Agreement and not by this summary or any other information included in this Information Statement. This summary is not intended to provide any other factual information about Resolute Holdings or CompoSecure and its subsidiaries, including CompoSecure Holdings. Information about Resolute Holdings and CompoSecure and its subsidiaries, including CompoSecure Holdings, can be found elsewhere in this Information Statement and in the documents incorporated by reference into the Registration Statement of which this Information Statement forms a part.

Our Responsibilities under the CompoSecure Management Agreement

Under the CompoSecure Management Agreement, in connection with our managing the day-to-day business and operations of CompoSecure Holdings and its subsidiaries, we will be responsible for, among other things, the following services and activities to the fullest extent permitted by Delaware law, the Exchange Act, the Securities Act, the Nasdaq listing rules and any other applicable rule or regulation:

- establishing and monitoring CompoSecure Holdings' objectives, financing activities and operating performance;
- selecting and overseeing CompoSecure Holdings' management team and their operating performance;
- reviewing and approving CompoSecure Holdings' compensation and benefit plans, programs, policies and agreements, including with respect to any grants of equity awards to persons providing services to CompoSecure Holdings and its affiliates;
- devising and implementing capital allocation strategies, plans and policies of CompoSecure Holdings;
- setting the budget parameters and expense guidelines of CompoSecure Holdings and monitoring compliance therewith;
- identifying and analyzing business opportunities and potential acquisitions, dispositions and other business combinations;
- originating, recommending opportunities to form or acquire and assisting with the structuring and managing of any joint ventures;
- overseeing negotiations with potential participants in any business opportunity under CompoSecure Holdings' consideration and having discretion to determine (or delegate to any officer of CompoSecure Holdings' or its subsidiaries the decision to determine) if and when to proceed;
- engaging and supervising, on CompoSecure Holdings' behalf, independent contractors and third-party service providers;
- reviewing and approving CompoSecure Holdings' compensation and benefit plans, programs, policies and agreements;
- setting the budget parameters and expense guidelines of CompoSecure Holdings;
- communicating on behalf of CompoSecure Holdings and its subsidiaries with the holders of any securities of CompoSecure Holdings or its subsidiaries (i) as required to satisfy any reporting and

other requirements of any governmental authority having jurisdiction over CompoSecure Holdings or its subsidiaries and (ii) to maintain effective relations with such holders;

- overseeing all claims, disputes or controversies (including all litigation, arbitration, settlement or other proceedings or negotiations) in which CompoSecure Holdings may be involved or to which CompoSecure Holdings may be subject arising out of CompoSecure Holdings' day-to-day activities (other than with us or our affiliates);
- counselling CompoSecure Holdings in connection with decisions required by Delaware law to be made by the CompoSecure Board; and
- performing such other services from time to time in connection with the management of the business and affairs of CompoSecure Holdings and its activities as the CompoSecure Board shall reasonably request and/or we shall deem appropriate under the particular circumstances.

Management Fee

CompoSecure Holdings will pay us a quarterly management fee (the "Management Fee"), payable in arrears, in a cash amount equal to 2.5% of CompoSecure Holdings' last 12 months' Adjusted EBITDA, measured for the period ending on the fiscal quarter then ended, as defined in the CompoSecure Management Agreement. See "Unaudited Pro Forma Condensed Consolidated Financial Statements." In the case that CompoSecure Holdings' Adjusted EBITDA for any period is equal to or lower than zero, no Management Fee will be payable to us in respect of such period. We may elect not to receive, or to discount, the Management Fee for a given quarterly period, but any such election will, for the avoidance of doubt, be ignored in calculating the Termination Fee (as defined below) and will not constitute a waiver or discount of the Management Fee in any future periods.

Reimbursement of Costs and Expenses

CompoSecure Holdings will be responsible for all of its costs and expenses and will reimburse us or our affiliates for our or our affiliates' documented costs and expenses incurred on behalf of CompoSecure Holdings other than expenses related to our or our affiliates' personnel who provide services to CompoSecure Holdings under the CompoSecure Management Agreement. We will determine, in our sole and absolute discretion, whether a cost or expense will be borne by us or CompoSecure Holdings. We may elect not to seek reimbursement for certain expenses during a given quarterly period but any such determination will not constitute a waiver of reimbursement for such expenses, or similar expenses, in future periods.

Term

The CompoSecure Management Agreement will have an initial term of ten years and the term will automatically renew for successive and additional ten-year terms, unless the CompoSecure Management Agreement is terminated in accordance with its terms, as described below.

Termination and Termination Fee

We will have the right to terminate the CompoSecure Management Agreement:

- upon 180 days' written notice before the last day of the initial term or a renewal term to CompoSecure Holdings for any reason;
- upon 60 days' written notice before the last day of the initial term or a renewal term to CompoSecure Holdings in the event of:
  - a default by CompoSecure Holdings in the performance or observance of any material term, condition or covenant contained in the CompoSecure Management Agreement that continues for a period of 30 days after delivery by us of a written notice to CompoSecure Holdings specifying the default and requesting that it be remedied in the same 30-day period (and the Termination Fee (as defined below) will be payable in accordance with the terms of the CompoSecure Management Agreement); or

- a termination of the Letter Agreement (and the Termination Fee will be payable in accordance with the terms of the CompoSecure Management Agreement);

- at any time upon CompoSecure Holdings becoming required to register as an investment company under the Investment Company Act of 1940.

CompoSecure Holdings will have the right to terminate the CompoSecure Management Agreement:

- upon 180 days' written notice before the last day of the initial term or a renewal term and payment of the Termination Fee, if two-thirds of the independent directors of CompoSecure (who have not recused themselves with respect to such vote) determine the Management Fee is not fair and the parties fail to reach an understanding on the fee following consultation and mediation procedures set forth in the CompoSecure Management Agreement;
- upon 30 days' prior written notice at any time during the initial term or a renewal term, without payment of the Termination Fee, if any of the following events occur (each, a "Kick-Out Event"):
  - final judgment (which is not stayed or vacated within 30 days) that Resolute Holdings has committed a felony or material violation of securities laws that has a material adverse effect on CompoSecure Holdings' business or ability of Resolute Holdings to perform its duties under the CompoSecure Management Agreement;
  - final judgment (subject to a 30-day cure period) that Resolute Holdings has committed fraud against CompoSecure Holdings, misappropriated or embezzled funds of CompoSecure Holdings, acted or failed to act in a manner constituting bad faith, willful misconduct, gross negligence or reckless disregard of its duties; or
  - the bankruptcy or dissolution of Resolute Holdings.

As used in this summary, the term "Termination Fee" means an amount equal to the greatest of:

- as of the effective termination date, the fair market value of the aggregate Management Fee then payable or that would become payable if the CompoSecure Management Agreement were automatically renewed and remained in effect in perpetuity;
- as of the effective termination date, the net present value of the aggregate Management Fee then payable or that would become payable if the CompoSecure Management Agreement were automatically renewed and remained in effect in perpetuity, calculated in accordance with the CompoSecure Management Agreement; and
- four times the aggregate Management Fee that became payable during the 24-month period prior to termination.

The Termination Fee shall be payable in cash or, at the option of CompoSecure Holdings, by action of a two-thirds vote of the independent directors of the CompoSecure Board (who have not recused themselves with respect to such vote) and upon written notice thereof, shares of CompoSecure common stock or a combination of shares of CompoSecure common stock and cash, provided that the issuance of any shares of CompoSecure common stock in connection with the payment of the Termination Fee shall be in accordance with applicable laws and stock exchange regulations.

Indemnification

CompoSecure Holdings will, to the fullest extent permitted by Delaware law, reimburse, indemnify and hold harmless us, our affiliates and the respective directors, officers, employees and stockholders, including the directors, officers, employees, managers, trustees, control persons, partners, stockholders and equityholders ("Manager Indemnified Parties") of and from:

- any and all expenses, losses, damages, liabilities, demands, penalties, costs, charges and claims of any nature whatsoever (excluding the costs described in below bullet) in respect of or arising from any acts or omissions of such Manager Indemnified Party performed in good faith in accordance with, pursuant to, or in furtherance of, the CompoSecure Management Agreement and not constituting bad faith, fraud, willful misconduct, gross negligence or reckless disregard of duties of such Manager Indemnified Party under the CompoSecure Management Agreement; and

- any and all documented and reasonable out-of-pocket expenses (including fees and out-of-pocket disbursements of counsel) incurred in connection with investigating, preparing or defending any acts or omissions by us or our officers, employees or affiliates performed in accordance with, pursuant to or in furtherance of, the CompoSecure Management Agreement, whether by or through attempted piercing of the corporate veil, by or through a claim, by the enforcement of any judgment or assessment or by any legal or equitable proceeding (including any threatened or ongoing investigative, administrative, judicial or regulatory action or proceeding), or by virtue of any statute, regulation or other applicable law, or otherwise as such expenses are incurred or paid (provided that if it is ultimately finally judicially determined in a court of competent jurisdiction that the aforementioned Manager Indemnified Parties are not entitled to indemnification thereunder, such Manager Indemnified Parties shall reimburse CompoSecure Holdings for any and all documented and reasonable out-of-pocket expenses (including fees and out-of-pocket disbursements of counsel) already paid or reimbursed by CompoSecure Holdings in respect of which such final judicial determination was made).

Representation and Warranties

The CompoSecure Management Agreement will contain mutual representation and warranties of CompoSecure Holdings and us with respect to: due organization and good standing; corporate power and authority; and non-contravention of laws, regulations and contracts by the execution, delivery and performance of the CompoSecure Management Agreement.

Additional Covenants

If the CompoSecure Management Agreement is terminated by CompoSecure Holdings in accordance with its terms without a Kick-Out Event, then, for a period of two years following such termination, CompoSecure Holdings will be prohibited, unless we provide consent, from employing or otherwise retaining any of our or our affiliates' employees or any person who has been employed by us or any of our affiliates at any time within such two-year period.

Separation and Distribution Agreement

Additionally, we and CompoSecure intend to enter into a Separation and Distribution Agreement with CompoSecure before the Spin-Off. The Separation and Distribution Agreement will set forth our agreements with CompoSecure regarding the principal actions to be taken in connection with the Spin-Off. The following summarizes the terms of the Separation and Distribution Agreement we expect to enter into with CompoSecure. This summary is qualified in its entirety by the Separation and Distribution Agreement, the form of which is filed as an exhibit to the Registration Statement of which this Information Statement forms a part.

Separation Transaction

The Separation and Distribution Agreement will describe certain actions related to our separation from CompoSecure that will occur prior to the Spin-Off, or in limited instances, following the Spin-Off, including the transfer by CompoSecure to us of certain assets and employees in exchange for the assumption by us of liabilities associated with those assets and employees, the issuance by us to CompoSecure Holdings of shares of our common stock and, following such issuance of shares of our common stock, the distribution by CompoSecure Holdings to CompoSecure of all shares of our common stock then held by CompoSecure Holdings.

Employee Matters

The Separation and Distribution Agreement will set forth the timing and general responsibilities related to the split of assets and liabilities of certain employee benefit and compensation plans. Except as specifically provided in the Separation and Distribution Agreement, we will generally be responsible for all employment, employee compensation and employee benefits-related liabilities relating to employees and other individuals allocated to us. The Separation and Distribution Agreement will also provide for the adjustment

of, or the grant of SpinCo restricted stock unit awards with respect to, CompoSecure equity-based compensation awards that are outstanding immediately prior to the Spin-Off to preserve the underlying intrinsic value of such awards and reflect the impact of the Spin-Off. Such adjustments are summarized below.

Restricted Stock Units. As of the effective time of the Spin-Off, each outstanding CompoSecure restricted stock unit award will continue to relate to CompoSecure common stock, with the number of shares subject to the award to be adjusted in a manner intended to preserve the aggregate intrinsic value of the original CompoSecure award immediately after the Spin-Off when compared to the aggregate intrinsic value immediately prior to the Spin-Off (in each case, as calculated based on the applicable stock price measurements specified in the Separation and Distribution Agreement), subject to rounding. Each adjusted CompoSecure restricted stock unit award will generally be subject to the same terms and vesting conditions that applied to the original CompoSecure award immediately before the effective time of the Spin-Off.

Performance-Based Restricted Stock Units. As of the effective time of the Spin-Off, each outstanding CompoSecure performance-based restricted stock unit award will continue to relate to CompoSecure common stock, with the number of shares subject to the award to be adjusted in a manner intended to preserve the aggregate intrinsic value of the original CompoSecure award immediately after the Spin-Off when compared to the aggregate intrinsic value immediately prior to the Spin-Off (in each case, as calculated based on the applicable stock price measurements specified in the Separation and Distribution Agreement), subject to rounding. Each adjusted CompoSecure performance-based restricted stock unit award will generally be subject to the same terms and vesting conditions that applied to the original CompoSecure award immediately before the Spin-Off.

Stock Option Awards. As of the effective time of the Spin-Off, each outstanding CompoSecure stock option award will continue to relate to CompoSecure common stock, with the number of shares and the exercise price subject to the award to be adjusted in a manner intended to preserve the aggregate intrinsic value of the original CompoSecure award immediately after the Spin-Off when compared to the aggregate intrinsic value immediately prior to the Spin-Off (in each case, as calculated based on the applicable stock price measurements specified in the Separation and Distribution Agreement), subject to rounding. Each adjusted CompoSecure stock option award will generally be subject to the same terms and vesting conditions that applied to the original CompoSecure award immediately before the Spin-Off.

Tax Matters

The Separation and Distribution Agreement will govern CompoSecure's and our respective rights, responsibilities and obligations after the Spin-Off with respect to tax liabilities and benefits, tax returns, and tax contests. We and CompoSecure will agree to use commercially reasonable efforts to cooperate with respect to tax matters following the Spin-Off.

Representations and Warranties

In general, neither we nor CompoSecure will make any representations or warranties regarding any assets, employees or liabilities transferred or assumed (including with respect to the sufficiency of assets for the conduct of our business), any notices, consents, or governmental approvals that may be required in connection with these transfers or assumptions, the value or freedom from any lien or other security interest of any assets or liabilities transferred, the absence of any defenses relating to any claim of either party, or the legal sufficiency of any conveyance documents. Except as expressly set forth in the Separation and Distribution Agreement or any ancillary agreement, all assets will be transferred on an "as is," "where is" basis.

Further Assurances

The parties will use reasonable best efforts to effect any transfers contemplated by the Separation and Distribution Agreement that have not been consummated prior to the Spin-Off. In addition, the parties will use reasonable best efforts to effect any transfer or re-transfer of any asset or liability that was improperly transferred or retained.

The Spin-Off

The Separation and Distribution Agreement will govern CompoSecure's and our respective rights and obligations regarding the proposed Spin-Off. On or prior to the Distribution Date, CompoSecure will deliver 100% of the issued and outstanding shares of our common stock to the distribution agent. On or as soon as practicable following the Distribution Date, the distribution agent will electronically deliver the shares of our common stock to CompoSecure stockholders by means of a pro rata dividend. The CompoSecure Board may, in its sole and absolute discretion, determine the Record Date, the Distribution Date, and the terms of the Spin-Off. In addition, CompoSecure may, at any time until the Spin-Off, decide to abandon the Spin-Off or modify or change the terms of the Spin-Off.

Conditions

The Separation and Distribution Agreement will also provide that several conditions must be satisfied or, to the extent permitted by law, waived by CompoSecure, in its sole and absolute discretion, before the Spin-Off can occur. For further information about these conditions, see "The Spin-Off — Conditions to the Spin-Off."

Exchange of Information

We and CompoSecure will agree to provide each other with information reasonably needed to comply with reporting, disclosure, filing, or other requirements of any national securities exchange or governmental authority, and requested by the other party for use in judicial, regulatory, administrative, and other proceedings or in order to satisfy audit, accounting, litigation, and other similar requirements. We and CompoSecure will also agree to use reasonable best efforts to retain such information in accordance with specified record retention policies. Each party will also agree to use its reasonable best efforts to assist the other with its financial reporting and audit obligations.

Termination

The CompoSecure Board, in its sole and absolute discretion, may terminate the Separation and Distribution Agreement at any time prior to the Spin-Off.

Release of Claims

We and CompoSecure will each agree to release the other and its affiliates, successors, and assigns, and all persons that prior to the Spin-Off have been the other's stockholders, fiduciaries, directors, trustees, counsel, officers, members, managers, employees, agents, and certain other parties, and their respective heirs, executors, administrators, successors and assigns, from any and all liabilities, whether at law or in equity (including any right of contribution), whether arising under any contract, by operation of law, or otherwise, existing or arising from any acts or events occurring, or failing to occur, or alleged to have occurred, or to have failed to occur, or any conditions existing or alleged to have existed on or before the Spin-Off, including in connection with the Spin-Off and all other activities to implement the Spin-Off. The releases will not extend to obligations or liabilities under the Separation and Distribution Agreement or the CompoSecure Management Agreement, to any other agreements between us and CompoSecure that remain in effect following the separation pursuant to the Separation and Distribution Agreement or any ancillary agreement, or to certain other obligations or liabilities specified in the Separation and Distribution Agreement.

Indemnification

We and CompoSecure will each agree to indemnify the other and each of the other's current and former directors, officers, and employees, and each of the heirs, executors, administrators, successors, and assigns of any of them, against certain liabilities incurred in connection with the Spin-Off and our and CompoSecure's respective businesses. The amount of either CompoSecure's or our indemnification obligations will be reduced by any net insurance proceeds the party being indemnified receives. The Separation and Distribution Agreement will also specify procedures regarding claims subject to indemnification.

Letter Agreement

We intend to enter into a Letter Agreement with CompoSecure, pursuant to which CompoSecure will (i) delegate by resolution of the CompoSecure Board authority to us to approve issuances of CompoSecure equity for M&A and equity awards, (ii) issue CompoSecure equity pursuant to those delegations, (iii) make customary representations, warranties and covenants in connection with any acquisition, business combination transaction or other transaction that is intended to qualify in whole or in part as a tax-free for U.S. federal income tax purposes, and is entered into, in each case, in accordance with the CompoSecure Management Agreement and (iv) make filings and deliver notices in connection with the performance of our duties and obligations under the CompoSecure Management Agreement. The Letter Agreement will be coterminous with the CompoSecure Management Agreement. This summary of the Letter Agreement is qualified in its entirety by the Letter Agreement, the form of which is filed as an exhibit to the Registration Statement of which this Information Statement forms a part.

Registration Rights Agreement

We intend to enter into a Registration Rights Agreement with Resolute Compo Holdings pursuant to which we will agree that, upon the request of Resolute Compo Holdings, subject to certain limitations, we will use our reasonable best efforts to effect the registration under applicable federal or state securities laws of any shares of our common stock held by Resolute Compo Holdings. If we intend to file on our behalf or on behalf of any of our other security holders a registration statement in connection with a public offering of any of our securities in a manner that would permit the registration for offer and sale of our common stock held by Resolute Compo Holdings, Resolute Compo Holdings will have the right to include its shares of our common stock in that offering.

We will be generally responsible for all registration expenses in connection with the performance of our obligations under the registration rights provisions in the agreement, and Resolute Compo Holdings will be responsible for its own internal fees and expenses, any applicable underwriting discounts or commissions and any stock transfer taxes. The agreement will also contain customary indemnification and contribution provisions by us for the benefit of Resolute Compo Holdings and, in limited situations, by Resolute Compo Holdings for the benefit of us with respect to the information provided by Resolute Compo Holdings included in any registration statement, prospectus or related document.

If Resolute Compo Holdings transfers shares covered by the agreement, it will be able to transfer the benefits of the Registration Rights Agreement to transferees, provided that each transferee agrees to be bound by the terms of the Registration Rights Agreement.

This summary is qualified in its entirety by the Registration Rights Agreement, the form of which is filed as an exhibit to the Registration Statement of which this Information Statement forms a part.

U.S. State and Local Tax Sharing Agreement

We intend to enter into a U.S. State and Local Tax Sharing Agreement with CompoSecure that will govern the respective rights, responsibilities, and obligations of CompoSecure and us after the Spin-Off with respect to certain state and local tax matters in jurisdictions and for taxable periods in which we are required to file tax returns on a consolidated, combined, unitary or other group basis with CompoSecure ("Combined Returns").

The U.S. State and Local Tax Sharing Agreement will, among other things, (i) allocate responsibility for the preparation and filing of Combined Returns and the payment of taxes due in connection therewith, (ii) determine the appropriate allocation of any such tax liability between us and CompoSecure, (iii) require compensation to be paid by us to CompoSecure to the extent we use any tax attributes properly allocable to CompoSecure to offset taxes otherwise allocable to us, and vice versa, (iv) allocate responsibility for the conduct of tax contests arising with respect to Combined Returns, and (v) ensure that the parties are aligned on cooperating and coordinating with respect to Combined Returns.

This summary is qualified in its entirety by the U.S. State and Local Tax Sharing Agreement, the form of which is filed as an exhibit to the Registration Statement of which this Information Statement forms a part.

Policy and Procedures Governing Related Party Transactions

Prior to the completion of the Spin-Off, our Board will adopt a written policy regarding the review of transactions with related persons. We anticipate that this policy will provide that our independent directors as a group or a committee comprising solely independent directors (such as our Audit Committee) review each of our transactions involving an amount exceeding $120,000 and in which any "related person" had, has or will have a direct or indirect material interest, subject to certain specified exceptions. In general, "related persons" are our directors, director nominees, executive officers and stockholders beneficially owning more than 5% of our outstanding common stock and immediate family members or certain other designated persons.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE SPIN-OFF

This section describes the material U.S. federal income tax consequences of the Spin-Off to U.S. holders (as defined below) and Non-U.S. holders (as defined below) of shares of CompoSecure common stock. This section applies solely to persons that hold shares of CompoSecure common stock and/or shares of our common stock as capital assets for tax purposes. This section addresses only United States federal income taxation and does not discuss all of the tax consequences that may be relevant to a holder in light of such holder's individual circumstances, including non-U.S., state or local tax consequences, estate and gift tax consequences and tax consequences arising under the Medicare contribution tax on net investment income or the alternative minimum tax. This section does not apply to holders subject to special rules, including:

- a dealer or broker in stocks and securities, commodities or foreign currencies;
- a regulated investment company or real estate investment trust;
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
- a tax-exempt organization;
- a bank, financial institution, mutual fund or insurance company;
- a person that directly, indirectly or constructively owns 5% or more of the combined voting power of CompoSecure or of us, or of the total value of the shares of CompoSecure common stock or of us;
- a person that holds shares of CompoSecure common stock or shares of our common stock as part of a straddle or a hedging, conversion or other risk reduction transaction for U.S. federal income tax purposes;
- a person that acquires or sells shares of CompoSecure common stock as a part of a wash sale for U.S. federal income tax purposes;
- partnerships, S corporations or other passthrough entities (or investors in partnerships, S corporations or other pass-through entities);
- a person that acquired shares of CompoSecure common stock or shares of our common stock pursuant to the exercise of employee share options, through a tax-qualified retirement plan or otherwise as compensation; or
- a person whose functional currency is not the U.S. dollar.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of shares of CompoSecure common stock or shares of our common stock that is, for U.S. federal income tax purposes:

- an individual that is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized under the laws of the United States;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) its administration is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) it has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

For purposes of this discussion, a "Non-U.S. holder" is any beneficial owner of CompoSecure common stock or shares of our common stock that is neither a U.S. Holder nor an entity treated as a partnership for U.S. federal income tax purposes.

This section is based on the Code, its legislative history, existing and proposed regulations, published rulings and court decisions, as well as on applicable tax treaties, all as currently in effect. These authorities are subject to change, possibly on a retroactive basis.

This discussion is intended to provide only a general summary of the material U.S. federal income tax consequences of the Spin-Off to holders of shares of CompoSecure common stock and the ownership of

shares of our common stock acquired pursuant to the Spin-Off. We do not intend it to be a complete analysis or description of all potential U.S. federal income tax consequences of the Spin-Off. The U.S. federal income tax laws are complex and subject to varying interpretations. Accordingly, the IRS may not agree with the tax consequences described in this information statement.

We have not sought, and do not intend to seek, any ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and no assurance can be given that the IRS will agree with the views expressed herein, or that a court will not sustain any challenge by the IRS in the event of litigation.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds shares of CompoSecure common stock or shares of our common stock, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes holding shares should consult its tax advisors with regard to the U.S. federal income tax treatment of the Spin-Off and ownership of shares of our common stock.

U.S. Federal Income Tax Consequences of the Spin-Off and of the Ownership and Disposition of Our Common Stock to U.S. Holders

Consequences of the Spin-Off to U.S. Holders

The distribution of our common stock in the Spin-Off (including fractional shares for which U.S. holders receive cash) will be treated as a taxable distribution to U.S. holders for U.S. federal income tax purposes, which will generally result in: (i) a taxable dividend to the U.S. holder to the extent of that U.S. holder's pro rata share of CompoSecure's current or accumulated earnings and profits; (ii) a reduction in the U.S. holder's tax basis (but not below zero) in CompoSecure common stock to the extent the amount received exceeds the stockholder's share of CompoSecure's earnings and profits; and (iii) taxable gain from the exchange of CompoSecure common stock to the extent the amount received exceeds the sum of the U.S. holder's share of CompoSecure's earnings and profits and the U.S. holder's basis in its CompoSecure common stock.

Dividends will be taxed as ordinary income to the extent that they are paid out of CompoSecure's current or accumulated earnings and profits. Based on current projections of its current or accumulated earnings and profits, CompoSecure expects that the full amount of the distribution will be treated as a dividend for U.S. federal income tax purposes. Accordingly, U.S. holders should expect to treat the distribution in its entirety as a taxable dividend for U.S. federal income tax purposes. Dividends paid to a non-corporate U.S. holder that constitute qualified dividend income are taxable to the stockholder at the preferential rates applicable to long-term capital gains, provided that the stockholder holds the shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meets other holding period requirements. CompoSecure expects that any amount treated as a dividend paid by CompoSecure pursuant to the Spin-Off will constitute qualified dividend income, assuming the U.S. holder's holding period requirements are met.

A U.S. holder's tax basis in its shares of CompoSecure common stock held on the Distribution Date will be reduced (but not below zero) to the extent that the fair market value on the Distribution Date of the shares of our common stock received by such U.S. holder from CompoSecure in the Spin-Off exceeds such U.S. holder's ratable share of CompoSecure's current and accumulated earnings and profits (that is, the amount treated as a taxable dividend).

To the extent that the fair market value on the Distribution Date of the shares of our common stock received by a U.S. holder from CompoSecure in the Spin-Off exceeds such U.S. holder's ratable share of CompoSecure's current and accumulated earnings and profits and adjusted tax basis in its shares of CompoSecure common stock, the U.S. holder generally must include such excess in income as long-term capital gain if the U.S. holder's shares of CompoSecure common stock have been held for more than year or as short-term capital gain if the U.S. holder's shares of CompoSecure common stock have been held for one year or less. A U.S. holder's holding period for its CompoSecure shares will not be affected by the Spin-Off.

A U.S. holder's tax basis in the shares of our common stock received in the Spin-Off generally will equal the fair market value of those shares on the Distribution Date, and a U.S. holder's holding period for those shares will begin the day after the Distribution Date.

Although CompoSecure will ascribe a value to the shares of our common stock it distributes in the Spin-Off for tax purposes, this valuation is not binding on the IRS or any other tax authority. These taxing authorities could ascribe a higher valuation to those shares, particularly if shares of our common stock trade at prices significantly above the value ascribed to those shares by CompoSecure in the period following the Spin-Off. Such higher valuation may cause a U.S. holder to recognize additional dividend income, reduction in basis or capital gain, as the case may be.

A U.S. holder receiving cash in lieu of a fractional share of our common stock will recognize gain or loss equal to the difference between its adjusted tax basis in such share (as described above) and the amount of cash received in respect of such fractional share, as if such fractional share had actually been received and subsequently sold. Such gain or loss will be capital gain or loss and generally will be treated as short-term capital gain or loss, as discussed under "Sale or Other Taxable Disposition of Our Common Stock" below.

Distributions on Our Common Stock

As described in the section entitled "Dividend Policy," once the Spin-Off is effective, we will determine the optimal allocation of capital to achieve our strategy and deliver competitive returns to our stockholders, including whether to pay cash dividends to our stockholders. If we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Dividends received by certain non-corporate U.S. holders (including individuals) may be taxed at preferential rates applicable to qualified dividend income, provided certain holding period requirements are met. Corporate U.S. holders that meet certain holding period and other requirements may be eligible for a dividends-received deduction for a portion of the dividend received. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a U.S. holder's adjusted tax basis in our common stock, but not below zero. Any excess will be treated as capital gain. Such gain generally will be taxable as long-term capital gain if the shares have been held for more than one year.

Sale or Other Taxable Disposition of Our Common Stock

Upon a subsequent sale or other taxable disposition of a share of our common stock (including with respect to any cash received in lieu of a fractional share of our common stock), a U.S. holder will recognize taxable gain or loss equal to the difference between the amount realized on the disposition of the share and the U.S. holder's tax basis in the share. The gain or loss will be capital gain or loss. A non-corporate U.S. holder, including an individual, who has held the share for more than one year generally will be eligible for reduced tax rates for such long-term capital gains. The deductibility of capital losses is subject to limitations.

U.S. Federal Income Tax Consequences of the Spin-Off and of the Ownership and Disposition of Our Common Stock to Non-U.S. Holders

Consequences of the Spin-Off to Non-U.S. Holders

In the Spin-Off, Non-U.S. holders will be treated as receiving a distribution from CompoSecure, which will be treated as a dividend to the extent the Spin-Off is paid out of CompoSecure's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of current and accumulated earnings and profits generally will be treated as a return of capital that will be applied against and reduce a Non-U.S. holder's adjusted tax basis in such Non-U.S. holder's shares of CompoSecure common stock (but not below zero), with any remaining excess treated as gain from the sale or exchange of such shares as described under "— Sale or Other Taxable Disposition" below.

Subject to the discussion below on effectively connected income, dividends paid to a Non-U.S. holder in the Spin-Off will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividend (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. holder furnishes a valid IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or other applicable documentation), certifying qualification for the lower treaty rate). A Non-U.S. holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

CompoSecure or other applicable withholding agents may be required or permitted to withhold at the applicable rate on all or a portion of the distribution of our common stock payable to a Non-U.S. holder, and any such withholding would be satisfied by CompoSecure or such agent by withholding and selling a portion of the shares of our common stock that otherwise would be distributable to such holder or by withholding from other property held in such holder's account with the withholding agent.

If the distribution of our common stock to a Non-U.S. holder in the Spin-Off is effectively connected with the Non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. holder maintains a permanent establishment in the United States to which such distribution is attributable), the Non-U.S. holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the distribution of our common stock in the Spin-Off is effectively connected with the Non-U.S. holder's conduct of a trade or business within the United States.

Any such effectively connected distribution will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected distribution, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

A Non-U.S. holder receiving cash in lieu of a fractional share of our common stock will recognize gain or loss equal to the difference between its adjusted tax basis in such share (as described above) and the amount of cash received in respect of such fractional share, as if such fractional share had actually been received and subsequently sold. See "Sale or Other Taxable Disposition" below.

Distributions on Our Common Stock

As described in the section entitled "Dividend Policy," once the Spin-Off is effective, we will determine the optimal allocation of capital to achieve our strategy and deliver competitive returns to our stockholders, including whether to pay cash dividends to our stockholders. If we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. holder's adjusted tax basis in its shares of our common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "— Sale or Other Taxable Disposition."

Subject to the discussion below on effectively connected income, dividends paid to a Non-U.S. holder of our common stock will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. holder furnishes a valid IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or other applicable documentation), certifying qualification for the lower treaty rate). A Non-U.S. holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. holder are effectively connected with the Non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

A Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock (including with respect to any cash received in lieu of a fractional share of our common stock) unless:

- the gain is effectively connected with the Non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest ("USRPI") by reason of SpinCo's status as a U.S. real property holding corporation ("USRPHC") for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the Non-U.S. holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we do not anticipate becoming a USRPHC. Because the determination of whether we are a USRPHC depends on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and its other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. holder of our common stock will not be subject to U.S. federal income tax if such stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. holder owned, actually and constructively, 5% or less of such stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. holder's holding period, or if another exception from these rules under the Code applies.

Non-U.S. holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information Reporting, Backup Withholding and FATCA Withholding

U.S. Holders

A U.S. holder may be subject to information reporting and backup withholding when such holder receives payments on shares of our common stock or proceeds from the sale or other taxable disposition of

such shares. Certain U.S. holders are exempt from backup withholding, including corporations and certain tax-exempt organizations. A U.S. holder will be subject to backup withholding if such holder is not otherwise exempt and:

- the holder fails to furnish the holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;
- the holder furnishes an incorrect taxpayer identification number;
- the applicable withholding agent is notified by the IRS that the holder previously failed to properly report payments of interest or dividends; or
- the holder fails to certify under penalties of perjury that the holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that the holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Non-U.S. Holders

The payments of dividends on our common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, as applicable, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our common stock paid to the Non-U.S. holder, regardless of whether such distributions constitute dividends or any tax was actually withheld. In addition, proceeds from the sale or other taxable disposition of our common stock (including with respect to any cash received in lieu of a fractional share of our common stock) within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person, or the holder otherwise establishes an exemption. Proceeds from a sale or other taxable disposition of our common stock (including with respect to any cash received in lieu of a fractional share of our common stock) conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

FATCA

Sections 1471 through 1474 of the Code (commonly referred to as "FATCA") impose a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally will impose a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity provides the withholding agent a certification identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a Non-U.S. holder might be eligible for refunds or credits of such taxes.

EACH COMPOSECURE STOCKHOLDER SHOULD CONSULT ITS TAX ADVISOR ABOUT THE PARTICULAR CONSEQUENCES OF THE DISTRIBUTION TO SUCH STOCKHOLDER, INCLUDING THE APPLICATION OF STATE, LOCAL AND FOREIGN TAX LAWS, AND POSSIBLE CHANGES IN TAX LAW THAT MAY AFFECT THE TAX CONSEQUENCES DESCRIBED ABOVE.

DESCRIPTION OF OUR CAPITAL STOCK

General

Prior to the Spin-Off, CompoSecure Holdings, as our sole stockholder, will approve and adopt our certificate of incorporation, and our Board will approve and adopt our bylaws. The following summarizes information concerning our capital stock, including material provisions of our certificate of incorporation, our bylaws and certain provisions of Delaware law. You are encouraged to read the forms of our certificate of incorporation and our bylaws, which are filed as exhibits to our Registration Statement on Form 10, of which this Information Statement is a part, for greater detail with respect to these provisions.

Authorized Capital Stock

Immediately following the Spin-Off, our authorized capital stock will consist of 1,000,000,000 shares of common stock, par value $0.0001 per share, and 100,000 shares of preferred stock, par value $0.0001 per share.

Common Stock

Shares Outstanding

Immediately following the Spin-Off, we estimate that approximately shares of our common stock will be issued and outstanding, based on shares of CompoSecure common stock outstanding as of , 2025. The actual number of shares of our common stock outstanding immediately following the Spin-Off will depend on the actual number of shares of CompoSecure common stock outstanding on the Record Date and will reflect any issuance of new shares, vesting of equity awards or exercise of outstanding options pursuant to CompoSecure's equity plans and any repurchases of CompoSecure shares by CompoSecure pursuant to its common stock repurchase program, in each case on or prior to the Record Date.

Dividends

Holders of shares of our common stock will be entitled to receive dividends when, as and if declared by our Board at its discretion out of funds legally available for that purpose, subject to the preferential rights of any preferred stock that may be outstanding. The timing, declaration, amount and payment of future dividends will depend on our financial condition, earnings, capital requirements and debt service obligations, as well as legal requirements, regulatory constraints, industry practice and other factors that our Board deems relevant. Our Board will make all decisions regarding our payment of dividends from time to time in accordance with applicable law. See "Dividend Policy."

Voting Rights

The holders of our common stock will be entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders. There is no cumulative voting, which means that a holder or group of holders of a majority of the shares of our common stock can elect all of our directors.

Other Rights

Subject to the preferential liquidation rights of any preferred stock that may be outstanding, upon our liquidation, dissolution or winding-up, the holders of our common stock and any participating preferred stock outstanding will be entitled to share ratably in our assets legally available for distribution to our stockholders.

Our common stock is not entitled to preemptive rights. The rights of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that our Board may designate and issue in the future.

Fully Paid

The issued and outstanding shares of our common stock are fully paid and non-assessable. Any additional shares of common stock that we may issue in the future will also be fully paid and non-assessable. The holders of our common stock will not have preemptive rights or preferential rights to subscribe for shares of our capital stock.

Preferred Stock

Our certificate of incorporation will authorize our Board to designate and issue from time to time one or more series of preferred stock without stockholder approval. Our Board may fix and determine the designations, powers, preferences and relative, participating, optional or other rights of each series of preferred stock. There are no present plans to issue any shares of preferred stock.

Anti-Takeover Provisions

Below are brief summaries of various anti-takeover provisions contained primarily in our organizational documents. We believe the benefits of these provisions, including increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure the Company, outweigh the disadvantages of discouraging takeover proposals, because negotiation of takeover proposals could result in an improvement of their terms.

Anti-Takeover Statute

Our certificate of incorporation provides that we are not governed by Section 203 of the DGCL which, in the absence of such provisions, would have imposed additional requirements regarding mergers and other business combinations.

However, our certificate of incorporation, which will become effective on the completion of the Spin-Off, will include a provision that restricts us from engaging in any business combination with an interested stockholder for three years following the date that person becomes an interested stockholder. These restrictions will not apply to any business combination involving any of the persons described below that are excluded from the definition of "interested stock," on the one hand, and us, on the other.

Additionally, we would be able to enter into a business combination with an interested stockholder if:

- before that person became an interested stockholder, our Board approved the transaction in which the interested stockholder became an interested stockholder or approved the business combination;
- upon consummation of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) stock held by directors who are also officers of the Company and by employee stock plans that do not provide employees with the right to determine confidentially whether shares held under the plan will be tendered in a tender or exchange offer; or
- following the transaction in which that person became an interested stockholder, the business combination is approved by our Board and authorized at a meeting of stockholders by the affirmative vote of the holders of at least 66⅔% of our outstanding voting stock not owned by the interested stockholder.

In general, a "business combination" is defined to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder and an "interested stockholder" is any person who, together with affiliates and associates, is the owner of 15% or more of our outstanding voting stock or is our affiliate or associate and was the owner of 15% or more of our outstanding voting stock at any time within the three-year period immediately before the date of determination. Under our certificate of incorporation, an "interested stockholder" generally does not include Investor, any direct or indirect transferee of Investor, any of their respective affiliates, any person managed by any member of Investor pursuant to a management

agreement or similar agreement, any successor of any of the foregoing persons or any "group," or any member of any such "group," to which such persons are a party under Rule 13d-5 of the Exchange Act.

This provision of our certificate of incorporation could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

Anti-takeover effects of certain provisions of our certificate of incorporation and bylaws to be in effect upon the completion of the Spin-Off

Undesignated preferred stock

As discussed above, our Board will have the ability to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire control of us. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management.

Action by written consent; special meetings of stockholders

Our certificate of incorporation will provide that, from and after the Trigger Date, our stockholders may not act by written consent, which may lengthen the amount of time required to take stockholder actions. As a result, following the Trigger Date, a holder controlling a majority of our common stock would not be able to amend our bylaws or remove directors without holding a meeting of our stockholders called in accordance with our bylaws. In addition, our certificate of incorporation will provide that, from and after the Trigger Date, special meetings of the stockholders may be called only by the Executive Chairman of our Board, our Chief Executive Officer or our Board. Following the Trigger Date, stockholders may not call a special meeting of stockholders, which may delay the ability of our stockholders to force consideration of a proposal or for holders controlling a majority of our common stock to take any action, including the removal of directors.

Advance notice procedures

Our bylaws will establish advance notice procedures with respect to stockholder proposals and stockholder nomination of candidates for election as directors. These provisions may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

Board classification

Our certificate of incorporation, which will be in effect upon the completion of the Spin-Off, provides for a Board comprising three classes of directors, with each class serving a three-year term beginning and ending in different years than those of the other two classes. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. The classification of our board of directors and the limitations on the ability of our stockholders to remove directors without cause could make it more difficult for a third party to acquire or discourage a third party from seeking to acquire, control of us.

Removal of directors; vacancies

Directors may only be removed for cause by the affirmative vote of at least two-thirds of the voting power of our outstanding common stock. Our Board has the sole power to fill any vacancy on our Board, whether such vacancy occurs as a result of an increase in the number of directors or otherwise.

No cumulative voting

Because our stockholders will not have cumulative voting rights, stockholders holding a majority of the voting power of the common stock outstanding will be able to elect all of our directors. The absence of

cumulative voting makes it more difficult for a minority stockholder to nominate and elect a director to our Board in order to influence our Board's decision regarding a takeover or otherwise.

Amendment of Certificate of Incorporation and Bylaws

Following the Trigger Date, the amendment of certain of the provisions of our certificate of incorporation will require approval by holders of at least two-thirds of the voting power of our outstanding common stock. Our certificate of incorporation will provide that our Board may from time to time adopt, amend, alter or repeal our bylaws without stockholder approval. Our stockholders may adopt, amend, alter or repeal our bylaws by the affirmative vote of a majority of the voting power of our outstanding common stock (other than certain specified bylaws which, following the Trigger Date, will require the affirmative vote of two-thirds of our outstanding common stock).

The combination of the provisions described in this section will make it more difficult for another party to obtain control of us by replacing our Board. Because our Board has the power to retain and discharge our officers, these provisions could also make it more difficult for another party to effect a change in management.

These provisions are intended to enhance the likelihood of continued stability in the composition of our Board and its policies and to discourage coercive takeover practices and inadequate takeover bids.

These provisions are also designed to reduce our vulnerability to hostile takeovers and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of delaying changes in our control or management.

Corporate Opportunity

Our certificate of incorporation will provide that, to the fullest extent permitted by law, the doctrine of "corporate opportunity" will not apply against Investor, any of our non-employee directors or any of their respective affiliates in a manner that would prohibit them from investing in competing businesses.

Choice of Forum

Our certificate of incorporation to be in effect upon the completion of the Spin-Off will provide that unless we consent to the selection of an alternative forum and subject to applicable jurisdictional requirements, the sole and exclusive forum for any: (i) derivative action or proceeding brought on behalf of us; (ii) action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, employees or stockholders to us or our stockholders; (iii) action asserting a claim arising pursuant to any provision of the DGCL or our certificate of incorporation or our bylaws (as either may be amended and/or restated from time to time); or (iv) action asserting a claim governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware or, if the Court of Chancery of the State of Delaware lacks jurisdiction over such action or proceeding, then another court of the State of Delaware, or if no court of the State of Delaware has jurisdiction, then the United States District Court for the District of Delaware, unless we consent in writing to the selection of an alternative forum. Additionally, our certificate of incorporation will state that the foregoing provision will not apply to claims arising under the Securities Act, the Exchange Act or other federal securities laws for which there is exclusive federal or concurrent federal and state jurisdiction. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

The exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers or stockholders, which may discourage lawsuits with respect to such claims. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provisions. See "Risk Factors — Risks Related to Ownership of Our Common Stock — Our certificate of incorporation will provide that certain courts in the State of Delaware or the federal district courts of the United States will be the sole and exclusive forum for substantially all disputes between us and

our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees."

Limitations of Liability, Indemnification and Advancement

Upon the completion of the Spin-Off, our certificate of incorporation and bylaws will provide that we will indemnify and advance expenses to our directors and officers and may indemnify and advance expenses to our employees and other agents, to the fullest extent permitted by Delaware law, which prohibits our certificate of incorporation from limiting the liability of our directors for the following:

- any breach of the director's duty of loyalty to us or to our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or unlawful stock repurchases or redemptions; and
- any transaction from which the director derived an improper personal benefit.

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our certificate of incorporation will not eliminate a director's duty of care and, in appropriate circumstances, equitable remedies, such as injunctive or other forms of non-monetary relief, remain available under Delaware law. This provision also does not affect a director's responsibilities under any other laws, such as the federal securities laws or other state or federal laws. Under our certificate of incorporation and bylaws, we will also be empowered to purchase insurance on behalf of any person whom we are required or permitted to indemnify.

In addition to the indemnification and advancement of expenses required in our certificate of incorporation and bylaws, we intend to enter into indemnification agreements with each of our current directors and executive officers. These agreements will provide for the indemnification of, and the advancement of expenses to, such persons for all reasonable expenses and liabilities, including attorneys' fees, judgments, fines and settlement amounts, incurred in connection with any action or proceeding brought against them by reason of the fact that they are or were serving in such capacity. We believe that these certificate of incorporation and bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We will also maintain directors' and officers' liability insurance.

The limitation of liability, indemnification and advancement provisions in our certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification or advancement by any director or officer.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be Continental Stock Transfer & Trust Company.

Listing

We have applied to list our common stock on The Nasdaq Stock Market LLC under the ticker symbol "RHLD."

Sale of Unregistered Securities

On September 27, 2024, the Company issued 1,000 shares of its common stock to CompoSecure Holdings pursuant to Section 4(a)(2) of the Securities Act. The Company did not register the issuance of the issued shares under the Securities Act because such issuance did not constitute a public offering.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a Registration Statement on Form 10 with the SEC with respect to the shares of our common stock that CompoSecure's stockholders will receive in the Spin-Off as contemplated by this Information Statement. This Information Statement is a part of, and does not contain all the information set forth in, the Registration Statement and the other exhibits and schedules to the Registration Statement. For further information with respect to us and our common stock, please refer to the Registration Statement, including its other exhibits and schedules. Statements we make in this Information Statement relating to any contract or other document are not necessarily complete, and you should refer to the exhibits attached to the Registration Statement for copies of the actual contract or document. You may review a copy of the Registration Statement, including its exhibits and schedules, on the website maintained by the SEC at www.sec.gov. Information contained on any website we refer to in this Information Statement does not and will not constitute a part of this Information Statement or the Registration Statement on Form 10 of which this Information Statement is a part.

As a result of the Spin-Off, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, we will file periodic reports, proxy statements and other information with the SEC.

You may request a copy of any of our filings with the SEC at no cost by writing us at the following address:

Resolute Holdings Management, Inc.
445 Park Avenue, Suite 15F
New York, NY 10022
Email: info@resoluteholdings.com

We intend to furnish holders of our common stock with annual reports containing financial statements prepared in accordance with U.S. GAAP and audited and reported on by an independent registered public accounting firm.

INDEX TO THE FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Resolute Holdings Management, Inc.

Opinion on the financial statements

We have audited the accompanying balance sheet of Resolute Holdings Management, Inc. (a Delaware corporation) (the "Company") as of September 27, 2024 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 27, 2024 in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2024.

New York, New York
October 4, 2024

RESOLUTE HOLDINGS MANAGEMENT, INC.

Balance Sheet
($ except share amounts)

	As of September 27, 2024
ASSETS	
CURRENT ASSETS	
Cash	$100
Total current assets	100
Total assets	100
LIABILITIES AND STOCKHOLDER'S EQUITY	
Total liabilities	—
Common stock, $0.0001 par value; 1,000 shares authorized, issued and outstanding	—
Additional paid-in-capital	100
Total shareholder's equity	100
Total liabilities and shareholder's equity	$100

The accompanying notes are an integral part of these audited financial statements.

1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

Resolute Holdings Management, Inc. ("Resolute Holdings" or the "Company") is a Delaware corporation formed on September 27, 2024. It is organized to provide operating management services to CompoSecure Holdings, L.L.C. ("CompoSecure Holdings"), a direct, wholly owned subsidiary of CompoSecure, Inc. ("CompoSecure") and other companies it may manage in the future, both in the United States and internationally. The Company intends to earn management fees from CompoSecure Holdings, pursuant to a long-term management contract with CompoSecure Holdings which will be executed in connection with the spin-off of the Company from CompoSecure. The Company has no activity as of September 27, 2024 other than matters relating to its formation on such date. Accordingly, the Company has not presented a statement of operations, changes in stockholders' equity and cash flows in these financial statements. The Company's fiscal year will end on December 31.

The Company intends to provide management services to generate recurring, long-duration management fees. The Company will apply a differentiated approach of value creation through the systematic deployment of a management system called the Resolute Operating System to drive performance at businesses it manages with the intention of creating value at both the underlying managed businesses, including the business of CompoSecure Holdings, and at Resolute Holdings. The Company will apply its operating system in conjunction with its M&A and capital markets expertise as part of its management services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. No estimates were used in the preparation of the accompanying financial statements.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of September 27, 2024.

3. RELATED PARTY TRANSACTIONS

The Company is an indirect subsidiary of CompoSecure and currently has no revenue generating activities. Prior to the Company entering into management agreements, it will be reliant on CompoSecure Holdings and/or its subsidiaries for the payment of its expenses.

4. EQUITY TRANSACTIONS

On September 27, 2024, the Company authorized for issuance 1,000 shares of common stock with par value of $0.0001 per share. On the same date, the Company received $100 in cash in exchange for its issuance of 1,000 shares of common stock to CompoSecure Holdings.

5. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 3, 2024, the date of issuance of the financial statements. There have been no subsequent events that occurred through such date that would require recognition or disclosure in the financial statements as of September 27, 2024.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Members
CompoSecure Holdings, L.L.C.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of CompoSecure Holdings, L.L.C. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income, members' deficit, and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

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

New York, New York

December 30, 2024

COMPOSECURE HOLDINGS, L.L.C.

Consolidated Balance Sheets
($ in thousands)

	December 31, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 38,191	$ 8,264
Accounts receivable, net	40,488	37,272
Inventories	52,540	42,374
Prepaid expenses and other current assets	5,041	2,394
Total current assets	136,260	90,304
Property and equipment, net	25,212	22,655
Right of use asset, net	7,473	8,932
Derivative asset- interest rate swap	5,258	8,651
Deposits and other assets	24	24
Due from Parent	39,780	44,635
Total assets	$ 214,007	$ 175,201
LIABILITIES AND MEMBERS' DEFICIT		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 10,313	$ 14,372
Current portion of lease liabilities	1,948	1,846
Accounts payable	5,170	7,124
Accrued expenses	12,527	8,870
Commission payable	4,429	3,317
Bonus payable	5,616	8,177
Total current liabilities	40,003	43,706
Long-term debt, net of deferred finance costs	198,331	216,276
Convertible notes, net of debt discount	127,832	127,348
Derivative liability – convertible notes redemption make-whole provision	425	285
Lease liabilities, operating	6,220	7,766
Total liabilities	372,811	395,381
Commitments and contingencies (Note 14)		
MEMBERS' DEFICIT		
Members' capital	82,162	68,640
Accumulated other comprehensive income	5,258	8,651
Accumulated deficit	(246,224)	(297,471)
Total members' deficit	(158,804)	(220,180)
TOTAL LIABILITIES AND MEMBERS' DEFICIT	$ 214,007	$ 175,201

The accompanying notes are an integral part of these financial statements.

COMPOSECURE HOLDINGS, L.L.C

Consolidated Statements of Operations
($ in thousands)

	Years Ended December 31,	
	2023	**2022**
Net sales	$390,629	$378,476
Cost of sales	181,547	158,832
Gross profit	209,082	219,644
Operating expenses:		
Selling, general and administrative expenses	83,547	95,963
Income from operations	125,535	123,681
Other income (expense):		
Change in fair value of derivative liability – convertible notes redemption make-whole provision	(139)	266
Interest expense, net	(22,586)	(20,129)
Amortization of deferred financing costs	(1,608)	(2,415)
Other income	—	1,291
Total other expense, net	(24,333)	(20,987)
Net income	$101,202	$102,694

The accompanying notes are an integral part of these financial statements.

COMPOSECURE HOLDINGS, L.L.C

Consolidated Statements of Comprehensive Income
($ in thousands)

	Years Ended December 31,	
	2023	2022
Net income	$101,202	$102,694
Other comprehensive income, net:		
Unrealized (loss) gain on derivative – interest rate swap (net of tax)	(3,393)	8,651
Total other comprehensive (loss) income, net	(3,393)	8,651
Comprehensive income	$ 97,809	$111,345

The accompanying notes are an integral part of these financial statements.

COMPOSECURE HOLDINGS, L.L.C.

CONSOLIDATED STATEMENTS OF MEMBERS' DEFICIT

($ in thousands)

	Members' Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Members' Deficit
Balance as of December 31, 2021	$58,853	$ —	$(355,731)	$(296,878)
Tax distributions	—	—	(44,434)	(44,434)
Equity-based compensation	10,513	—	—	10,513
Recapitalization equity	(726)	—	—	(726)
Net income	—	—	102,694	102,694
Unrealized gain on derivative – interest rate swap	—	8,651	—	8,651
Balance as of December 31, 2022	$68,640	$ 8,651	$(297,471)	$(220,180)
Tax distributions	—	—	(49,955)	(49,955)
Equity-based compensation	16,648	—	—	16,648
Net income	—	—	101,202	101,202
Payments for taxes related to net settlement of equity awards	(3,126)	—	—	(3,126)
Unrealized loss on derivative – interest rate swap	—	(3,393)	—	(3,393)
Balance as of December 31, 2023	$82,162	$ 5,258	$(246,224)	$(158,804)

The accompanying notes are an integral part of these financial statements.

COMPOSECURE HOLDINGS, L.L.C.

Consolidated Statements of Cash Flows
($ in thousands)

	Years Ended December 31,	
	2023	**2022**
Cash flows from operating activities		
Net income	$101,202	$ 102,694
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	8,387	8,575
Equity-based compensation expense	16,648	10,513
Inventory reserve	(1,182)	1,668
Amortization of deferred finance costs	1,546	2,345
Change in fair value of derivative liability – convertible notes redemption make-whole provision	139	(266)
Changes in assets and liabilities		
Accounts receivable	(3,216)	(9,347)
Inventories	(8,984)	(18,237)
Intercompany payable/receivable	4,857	(6,510)
Prepaid expenses and other assets	(2,647)	202
Accounts payable	(1,956)	66
Accrued expenses	3,657	(1,066)
Deposits and other assets	—	(14)
Other liabilities	(1,433)	4,990
Net cash provided by operating activities	117,018	95,613
Cash flows from investing activities		
Acquisition of property and equipment	(10,944)	(9,053)
Net cash used in investing activities	(10,944)	(9,053)
Cash flows from financing activities		
Business Combination and PIPE financing	—	—
Proceeds from convertible notes	—	—
Payment of line of credit	—	(15,000)
Proceeds from term loan	—	—
Payment of term loan	(22,810)	(16,878)
Payments for taxes related to net settlement of equity awards	(3,126)	—
Deferred finance costs related to debt modification	(256)	—
Distributions pursuant to Business Combination	—	—
Tax distributions	(49,955)	(44,434)
Issuance costs related to Business Combination	—	(23,833)
Net cash used in financing activities	(76,147)	(100,145)
Net increase (decrease) in cash and cash equivalents	29,927	(13,585)
Cash and cash equivalents, beginning of period	8,264	21,849
Cash and cash equivalents, end of period	$ 38,191	$ 8,264
Supplementary disclosure of cash flow information:		
Cash paid for interest expense	$ 27,247	$ 21,379
Supplementary disclosure of non-cash financing activities:		
Derivative asset – interest rate swap	$ (3,393)	$ 8,651
Issuance costs payable	$ —	$ —

The accompanying notes are an integral part of these financial statements.

COMPOSECURE HOLDINGS, L.L.C.

Notes to Consolidated Financial Statements
($ in thousands — except unit data)

1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

CompoSecure Holdings, L.L.C. ("CompoSecure", "Holdings" or the "Company") is a manufacturer and designer of complex metal, composite and proprietary financial transaction cards. The Company's operations commenced in 2000. The Company provides products and services primarily to global financial institutions, plastic card manufacturers, system integrators, and security specialists. The Company is located in Somerset, New Jersey. Since its inception, the Company has established itself as a technology partner to market leaders, fintechs and consumers enabling trust for millions of people around the globe. The Company combines elegance, simplicity and security to deliver exceptional experiences and peace of mind in the physical and digital world. The Company's innovative payment card technology and metal cards with Arculus secure authentication and digital asset storage capabilities, deliver unique, premium branded experiences, enable people to access and use their financial and digital assets, and ensure trust at the point of a transaction.

The Company creates newly innovated, highly differentiated and customized quality financial payment products for banks and other payment card issuers to support and increase its customer acquisition, customer retention and organic customer spend. The Company's customers consist primarily of leading international and domestic banks and other payment card issuers primarily within the United States ("U.S."), Europe, Asia, Latin America, Canada, and the Middle East. The Company is a platform for next generation payment technology, security, and authentication solutions. The Company maintains trusted, highly-embedded and long-term customer relationships with an expanding set of global issuers. The Company has established a niche position in the financial payment card market through over 20 years of innovation and experience and is focused primarily on this attractive subsector of the financial technology market. The Company serves a diverse set of direct customers and indirect customers, including some of the largest issuers of credit cards in the U.S.

On June 11, 2020, the Company implemented a holding company reorganization, and as a result, CompoSecure Holdings, L.L.C. became successor to CompoSecure L.L.C. Pursuant to the reorganization, CompoSecure Holdings, L.L.C. became a holding company with no business operations of its own. CompoSecure Holdings, L.L.C. has recognized the assets and liabilities of CompoSecure L.L.C. at the carryover basis. The consolidated financial statements of CompoSecure Holdings, L.L.C. present comparative information for prior periods on a consolidated basis, as if both CompoSecure Holdings, L.L.C. and CompoSecure, L.L.C. were under common control for all periods presented.

On December 27, 2021 (the "Closing Date"), Roman DBDR Tech Acquisition Corp ("Roman DBDR") consummated the merger pursuant to the Merger Agreement, dated April 19, 2021 (the "Merger Agreement"), by and among Roman DBDR, Roman Parent Merger Sub, LLC, a wholly-owned subsidiary of Roman DBDR incorporated in the State of Delaware ("Merger Sub"), and CompoSecure Holdings, L.L.C., a Delaware limited liability company. Pursuant to the terms of the Merger Agreement, a business combination between Roman DBDR and Holdings was affected through the merger of Merger Sub with and into Holdings, with Holdings surviving as the surviving company and as a wholly-owned subsidiary of Roman DBDR (the "Business Combination"). Pursuant to the Business Combination, the merger was accounted for as a reverse recapitalization in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP"). On the Closing Date, and in connection with the closing of the Business Combination, Roman DBDR changed its name to CompoSecure, Inc. Holdings was deemed the accounting acquirer in the Business Combination based on an analysis of the criteria outlined in Accounting Standards Codification ("ASC") 805. This determination was primarily based on Holdings' operations comprising the ongoing operations of the combined company, Holdings' members and officers comprising a majority of the board of directors of the combined company, and Holdings' senior management comprising the senior management of the combined company. Accordingly, for accounting purposes, the Business Combination was treated as the equivalent of Holdings issuing stock for the net assets of Roman DBDR, accompanied by a recapitalization. The net assets of Roman DBDR were stated at historical cost, with no goodwill or other intangible assets recorded. While Roman DBDR was the legal acquirer in the Business Combination, because Holdings was deemed the accounting acquirer, the historical financial statements of Holdings became the

historical financial statements of the combined company, upon the consummation of the Business Combination. Following the Closing, CompoSecure, Inc. ("Parent") became parent of Holdings in accordance with the terms of the Holdings' Second Amended and Restated LLC Agreement.

The Company is a wholly-owned subsidiary of CompoSecure, Inc. ("Parent"), which is operated as an umbrella partnership C corporation ("Up-C") meaning that the sole asset of Parent is its interest in the Company. The Company was a partnership for U.S. federal income tax purposes and was owned by both the historical owners and Parent. Holdings is now a disregarded entity for U.S. federal income tax purposes as a wholly-owned subsidiary of Parent, but was through September 17, 2024 treated as a partnership for U.S. federal income tax purposes as it was previously owned in part by Parent and in part by other owners (including historical founders and other investors).

In the past, ownership in the Company was represented by Class A units held by Parent and Class B units held by other owners. Each Class A and Class B unit outstanding was also reflected in a corresponding number of shares of Class A and Class B common stock of Parent. In the Resolute Transaction defined below, all Class B units and corresponding shares of Class B common stock were exchanged for shares of Class A common stock and corresponding Class A units. See Note 16 for a discussion of the Resolute Transaction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements are presented in conformity with U.S. GAAP and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Any reference in these notes to applicable guidance is meant to refer to U.S. GAAP as found in the ASC and Accounting Standards Updates ("ASU") promulgated by the Financial Accounting Standards Board ("FASB"). The accompanying consolidated financial statements include the results of operations of the Company and its majority owned subsidiary. All intercompany accounts and transactions have been eliminated in consolidation. All dollar amounts are in thousands, unless otherwise noted. Share or unit and per share or per unit amounts are presented on a post-conversion basis for periods presented prior to the Business Combination, unless otherwise noted.

Use of Estimates

The preparation of the consolidated financial statements requires management to make a number of estimates and assumptions relating to the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. The Company bases its estimates on historical experience, current business factors and various other assumptions believed to be reasonable under the circumstances, all of which are necessary in order to form a basis for determining the carrying values of assets and liabilities. Actual results may differ from those estimates and assumptions. The Company evaluates the adequacy of its reserves and the estimates used in calculations on an on-going basis. Significant areas requiring management to make estimates include the valuation of equity instruments and estimates of derivative liability associated with the Exchangeable Notes due December 2026, which are marked to market each quarter based on a Lattice model approach, and the derivative asset for the interest rate swap. See Note 7, 9 and 11 for further discussion of the nature of these assumptions and conditions.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term investments with original maturities from the purchase date of three months or less that can be readily convertible into known amounts of cash. Cash and cash equivalents are held at recognized U.S. financial institutions. Interest earned on the short-term

investments is reported in the consolidated statements of operations. The carrying amount of cash and cash equivalents approximates its fair value due to its short and liquid nature.

Accounts Receivable

Accounts receivable are recognized net of allowances for credit losses. Allowance for credit losses are established based on an evaluation of accounts receivable aging, and, where applicable, specific reserves on a customer-by-customer basis, creditworthiness of the Company's customers and prior collection experience to estimate the ultimate collectability of these receivables. At the time the Company determines that a receivable balance, or any portion thereof, is deemed to be permanently uncollectible, the balance is then written off. The Company did not recognize any accounts receivable allowance for doubtful accounts at December 31, 2023 and 2022.

Inventories

Inventories are stated at the lower of cost or net realizable value, a basis that approximates the first-in, first out method. Inventories consist of raw material, work in process and finished goods. The Company establishes reserves as necessary for obsolescence and excess inventory. The Company records a reserve for excess and obsolete inventory based upon a calculation using the historical experience, expected future sales volumes, the projected expiration of inventory and specifically identified obsolete inventory.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which ranges from one to ten years. Leasehold improvements are recorded at cost, less accumulated amortization, which is computed on straight-line basis over the shorter of the useful lives of the assets or the remaining lease term. Expenditures for maintenance and repairs are charged to expense as incurred. The Company evaluates the depreciation periods of property and equipment to determine whether events or circumstances indicate that the asset's carrying value is not recoverable or warrant revised estimates of useful lives.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606 when the performance obligations under the terms of the Company's contracts with its customers have been satisfied. This occurs at the point in time when control of the specific goods or services as specified by each purchase order are transferred to customers. Specific goods refers to the products offered by the Company, including metal cards, high security documents, and pre-laminated materials. Transfer of control passes to customers upon shipment or upon receipt, depending on the agreement with the specific customers. ASC 606 requires entities to record a contract asset when a performance obligation has been satisfied or partially satisfied, but the amount of consideration has not yet been received because the receipt of the consideration is conditioned on something other than the passage of time. ASC 606 also requires an entity to present a revenue contract as a contract liability in instances when a customer pays consideration, or an entity has a right to an amount of consideration that is unconditional (e.g. receivable), before the entity transfers a good or service to the customer. The Company did not have any contract assets or liabilities as of December 31, 2023 and 2022.

The Company invoices its customers at the time at which control is transferred, with payment terms ranging between 15 and 60 days depending on each individual contract. As the payment is due within 90 days of the invoice, a significant financing component is not included within the contracts.

The majority of the Company's contracts with its customers have the same performance obligation of manufacturing and transferring the specified number of cards to the customer. Each individual card included within an order constitutes a separate performance obligation, which is satisfied upon the transfer of goods to the customer. The contract term as defined by ASC 606 is the length of time it takes to deliver the

goods or services promised under the purchase order or statement of work. As such, the Company's contracts are generally short term in nature.

Revenue is measured in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is recognized net of variable consideration such as discounts, rebates, and returns.

The Company's products do not include an unmitigated right of return unless the product is non-conforming or defective. If the goods are non-conforming or defective, the defective goods are replaced or reworked or, in certain instances, a credit is issued for the portion of the order that was non-conforming or defective. A provision for sales returns and allowances is recorded based on experience with goods being returned. Most returned goods are re-worked and subsequently re-shipped to the customer and recognized as revenue. Historically, returns have not been material to the Company.

Additionally, the Company has a rebate program with certain customers allowing for a rebate based on achieving a certain level of shipped sales during the calendar year. This rebate is estimated and updated throughout the year and recorded against revenues and the related accounts receivable.

Significant Judgments in Application of the Guidance

The Company uses the following methods, inputs, and assumptions in determining amounts of revenue to recognize:

Determination of Transaction Price

The transaction price is determined based on the consideration to which the Company will be entitled in exchange for transferring products to the customer. The Company includes any fixed charges within its contracts as part of the total transaction price. In addition, several contracts include variable consideration such as specific sales prices based on certain volume thresholds, discounts, penalties, rebates, refunds, and the customer's right to return. The Company has concluded that its estimation of variable consideration results in an adjustment to the transaction price such that it is probable that a significant reversal of cumulative revenue would not occur in the future. The accrual for variable consideration is netted against the sale price in determining the transaction price.

Assessment of Estimates of Variable Consideration

Many of the Company's contracts with customers contain some component of variable consideration. The Company estimates variable consideration, such as discounts, rebates such as volume based rebate and credits, using the expected value method, and adjusts transaction price for its estimate of variable consideration. Throughout the year, we record an accrual that nets down our revenue based on our best estimate of the impact of variable consideration based on cards shipped in each month of the year. We regularly revisit this accrual throughout the year to ensure we are tracking to the correct offset. This effectively factors the volume based rebate into the transaction price. Therefore, management applies the constraint in its estimation of variable consideration for inclusion in the transaction price such that it is probable that a significant reversal of cumulative revenue would not occur in the future.

Allocation of Transaction Price

The transaction price (including any discounts) is allocated between goods in a multi-element arrangement based on their relative standalone selling prices. The standalone selling prices are determined based on the prices at which the Company separately sells each good. For items that are not sold separately, the Company estimates the standalone selling prices using available information such as market conditions and internally approved pricing guidelines. Significant judgment may be required to determine standalone

selling prices for each performance obligation and whether it depicts the amount the Company expects to receive in exchange for the related goods.

Practical Expedients and Exemptions

As permitted by ASC 606, the Company uses certain practical expedients in connection with the application of ASC 606. The Company treats shipping and handling activities as fulfillment activities. The Company treats costs associated with obtaining new contracts as expenses when incurred if the amortization period of the asset we would recognize is one year or less. The Company does not adjust the transaction price for significant financing components, as the Company's contracts typically do not contain provisions for significant advance or deferred payments, nor do they span more than a one year period. The Company applies the optional exemption to not disclose information regarding the allocation of transaction price to remaining performance obligations with an original expected duration of less than one year.

Shipping and Handling Costs

Costs incurred in shipping and handling are recognized in Cost of goods sold in the consolidated statements of operations. Total Shipping and handling costs were approximately $2,286 and $2,755 for the years ended December 31, 2023 and 2022, respectively. Research and development costs are expensed as incurred and were $6,780 and $6,723 for the years ended December 31, 2023 and 2022 respectively.

Advertising

The Company expenses the cost of advertising as incurred. Advertising expense of approximately $5,020 and $11,808 for the years ended December 31, 2023 and 2022, respectively, was included in selling, general and administrative expenses in the consolidated statements of operations.

Income Taxes

Holdings is not subject to income taxes due to its equity structure and is, instead, subject to pass through income taxes. Holdings was a partnership for tax purposes until the Resolute Transaction (see Note 16), at which time it became a disregarded entity for tax purposes. Pursuant to Holdings' limited liability company agreement, Holdings makes pro rata tax distributions during each year to the members of Holdings. These distributions are based on the Company's estimate of taxable income for each year, and are updated throughout the year. Tax distributions from Holdings are intended to provide each member of Holdings sufficient funds to meet tax obligations with respect to the taxable income of Holdings that is allocated to each member. The Holdings limited liability company agreement requires distributions to be calculated based on a tax rate equal to the highest combined marginal federal and applicable state or local statutory income tax rate applicable to an individual resident in New York City, New York, including the Medicare contribution tax on unearned income, taking into account all jurisdictions in which the Company is required to file income tax returns together with the relevant apportionment information subject to various adjustments. The Company was under audit by federal tax authorities for fiscal 2020. The examination was finalized and there were no proposed adjustments.

For the year ended December 31, 2023, Holdings distributed a total of $49,955 of tax distributions to its members, of which $11,593 was paid to Parent, resulting in a net tax distribution to all other members of $38,362. For the year ended December 31, 2022, Holdings distributed a total of $44,434 of tax distributions to its members, of which $8,141 was paid to Parent, resulting in a net tax distribution to all other members of $36,293.

Equity-Based Compensation

Parent has equity-based compensation plans and a profits interest which provide compensation to employees of the Company and its subsidiaries and are described in more detail in Note 10. Compensation

cost relating to equity-based awards as provided by the arrangements are recognized in the consolidated statements of operations over the requisite service period based on the grant date fair value of such awards. The Company determines the fair value of each option on the date of grant using the Black-Scholes option pricing model, which is impacted by the fair value of Parent common stock, expected price volatility of Parent common stock, expected term, risk-free interest rates, forfeiture rate and expected dividend yield. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates, in order to derive the Company's best estimate of awards ultimately expected to vest.

Selling, General and Administrative

Selling, general and administrative ("SG&A") expenses primarily include expenses related to salaries and commissions, transaction costs, and professional fees. Included in SG&A during the years ended December 31, 2023 and 2022 were salaries and commissions of $30,108 and $35,650, and professional fees of $10,404 and $12,172 respectively.

Market and Credit Risk

Financial instruments that potentially subject the Company to credit risk consist principally of investments in cash, cash equivalents, short-term investments and accounts receivable. The Company's primary exposure is credit risk on receivables as the Company does not require any collateral for its accounts receivable. Credit risk is the loss that may result from a trade customer's or counterparty's nonperformance. The Company uses credit policies to control credit risk, including utilizing an established credit approval process, monitoring customer and counterparty limits, monitoring changes in a customer's credit rating, employing credit mitigation measures such as analyzing customers' financial statements, and accepting personal guarantees and various forms of collateral. The Company believes that its customers and counterparties will be able to satisfy their obligations under their contracts.

The Company maintains cash and cash equivalents with approved federally insured financial institutions. Such deposit accounts at times may exceed federally insured limits. The Company is exposed to credit risks and liquidity in the event of default by the financial institutions or issuers of investments in excess of FDIC insured limits. The Company performs periodic evaluations of the relative credit standing of these financial institutions and limits the amount of credit exposure with any institution if required. The Company has not experienced any losses on such accounts.

Fair Value Measurements

The Company determines fair value in accordance with ASC 820 which established a hierarchy for the inputs used to measure the fair value of financial assets and liabilities based on the source of the input, which generally range from quoted prices for identical instruments in a principal trading market i.e. Level 1 to estimates determined using significant unobservable inputs i.e. Level 3. The fair value hierarchy prioritizes the inputs, which refer to assumptions that market participants would use in pricing an asset or liability, based upon the highest and best use, into three levels as follows:

The standard describes three levels of inputs that may be used to measure fair value:

- **Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- **Level 2:** Observable inputs other than unadjusted quoted prices in active markets for identical assets or liabilities such as:
  - Quoted prices for similar assets or liabilities in active markets
  - Quoted prices for identical or similar assets or liabilities in inactive markets

- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other mean

- **Level 3:** Unobservable inputs in which there is little or no market data available, which are significant to the fair value measurement and require the Company to develop its own assumptions.

The Company's financial assets and liabilities measured at fair value consisted of cash and cash equivalents, accounts receivable, accounts payable, debt and interest rate swap. Cash and cash equivalents consisted of bank deposits and short-term investments, such as money market funds, the fair value of which is based on quoted market prices, a Level 1 fair value measure. As of December 31, 2023 and December 31, 2022, the carrying values of cash, accounts receivable and accounts payable approximate fair value because of the short-term maturity of these instruments. The fair value of the Company's Exchangeable Notes without the make-whole feature, was approximately $118,000 and $100,000, as of December 31, 2023 and 2022 respectively. The Company follows the guidance in ASC Topic 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period. See Note 12.

Segment Information

The Company is managed and operated as one business, as the entire business is managed by a single management team that reports to the Chief Executive Officer and President. The Company's chief operating decision-maker ("CODM") is its Chief Executive Officer and President, who makes resource allocation decisions and assesses performance based on financial information presented on an aggregate basis. The Company does not operate separate lines of business with respect to any of its products and does not review discrete financial information to allocate resources to separate products or by location. Accordingly, the Company views its business as one reportable operating segment.

Characteristics of the organization which were relied upon in making the determination that the Company operates in one reportable segment include the similar nature of all of the products that the Company sells, the functional alignment of the Company's organizational structure, and the reports that are regularly reviewed by the CODM for the purpose of assessing performance and allocating resources.

Recent Accounting Pronouncements — Adopted in current fiscal year

In March 2020, the FASB issued ASU No. 2020-4, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting" (ASU 2020-4), and in December 2022, the FASB issued ASU No. 2022-6, "Reference Rate Reform (Topic 848): Deferral of the Sunset Date for Topic 848" (ASU 2022-6). ASU 2020-4 provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. This guidance is elective and applies to all entities that have contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. ASU 2022-6 defers the sunset date of Topic 848 from December 31, 2022, to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. During the first quarter of fiscal 2023, the Company adopted the expedient in accounting for the amendments to the Company's 2021 Credit Facility agreement which were made as a result of the replacement of LIBOR as a reference rate. On February 28, 2023, the Company amended the 2021 Credit Facility to, among other things, transition from bearing interest based on LIBOR to Secured Overnight Financing Rate ("SOFR") or the Alternate Base Rate (as defined in the 2021 Credit Facility), at the election of the Company, plus an applicable margin. See Note 7, Debt, for further details regarding the interest rate effected by these amendments, which will be applied prospectively. The adoption of these ASUs did not have a material impact to the Company's consolidated financial statements.

In March 2022, the FASB issued ASU 2022-02, which eliminates the accounting guidance on troubled debt restructurings (TDRs) for creditors in ASC 310-402 and amends the guidance on "vintage disclosures"

to require disclosure of current-period gross write-offs by year of origination. The ASU also updates the requirements related to accounting for credit losses under ASC 326 and adds enhanced disclosures for creditors with respect to loan refinancing and restructurings for borrowers experiencing financial difficulty. The amendments in ASU 2020-04 are effective for years beginning after December 15, 2022 for entities that have adopted current expected credit loss ("CECL") model under ASC 326. The Company adopted the CECL model effective January 1, 2022. The adoption of this ASU did not have any impact on the Company's financial statements.

Recent Accounting Pronouncements — Not Yet Adopted

On November 27, 2023, the FASB issued ASU 2023-07, *Improvements to Reportable Segments Disclosures*, which applies to all public entities that are required to report segment information in accordance with Topic 280, Segment Reporting. The guidance will be applied retrospectively and is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance improves financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analysis. The Company is in the process of evaluating the impact of this ASU on its year end 2024 financial reporting as required by the standard.

3. BUSINESS COMBINATION

Certain liabilities resulted from a Business Combination discussed in Note 1 and are discussed below.

Warrant and Earnout Consideration Liability

As a result of the Business Combination, Parent had assumed the warrant liability related to previously issued warrants in connection with Roman DBDR's initial public offering. The warrants issued in connection with the Business Combination consist of 11,578,000 Public Warrants and 10,837,400 Resale Warrants that were originally included in the units issued in Parent's IPO. Each warrant entitles its holder to purchase one share of warrants originally included in the units issued in Parent's IPO. Each warrant entitles its holder to purchase one share of Parent's Class A common stock at an exercise price of $11.50 per share and will expire on December 27, 2026 or earlier upon redemption of Parent's Class A common stock or liquidation. Parent accounts for the warrants in accordance with the guidance contained in ASC 815 under which the warrants do not meet the criteria for equity treatment and must be recorded as liabilities. Accordingly, Parent classifies the warrants as liabilities at their fair value within warrant liability on the consolidated balance sheet and adjusts the warrants to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in revaluation of warrant liability in Parent's consolidated statements of operations. Parent recorded $8,294 and $16,341 for the year ended December 31, 2023 and 2022, respectively, for the warrant liability.

As a result of the Business Combination, certain of Holdings' equity holders have the right to receive an aggregate of up to 7,500,000 additional (i) shares of Parent's Class A common stock or (ii) Holdings' units (and a corresponding number of shares of Parent's Class B common stock), as applicable, in earnout consideration based on the achievement of certain stock price thresholds (collectively, the "Earnouts"). The valuation of the Earnouts was determined using a Monte Carlo simulation model that utilizes significant assumptions, including volatility, that determine the probability of satisfying the market condition stipulated in the award to calculate the fair value of the award. Parent classifies the Earnouts as liabilities at their fair value on the consolidated balance sheet and adjusts the fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in revaluation of Earnout consideration liability in Parent's consolidated statements of operations. A portion of the liability was considered compensation and fully expensed at December 27, 2021 and is included in Parent's financial statements. See Note 10. Parent recorded $852 and $15,090 for the year ended December 31, 2023 and 2022, respectively for the Earnout Consideration liability.

($ in thousands — except unit data)

In accordance with ASU 2014-17 on pushdown accounting, obligations incurred on behalf of an entity (e.g. an acquiree) should not be recognized by that entity unless there is a U.S. GAAP requirement (e.g. a joint and several obligation). It was concluded that an acquired entity would recognize a liability incurred by the acquirer only if that obligation is the acquired entity's liability. Accordingly warrant liability and earnout consideration liability is not reported on Holdings' financials even though Holdings is a guarantor as CompoSecure, L.L.C. is the sole operating company.

4. REVENUE RECOGNITION

The Company recognizes revenue in accordance with accounting standard ASC 606 when the performance obligations under the terms of the Company's contracts with its customers have been satisfied. See Note 2.

Disaggregation of Revenue

The percentages present the Company's revenue disaggregated by customer. The majority of the Company's revenue is earned within these major contracts, with aggregate revenue from the two top customers comprising approximately 70.5% and 67.3% of total revenue in 2023 and 2022, respectively.

5. INVENTORIES

The major classes of inventories were as follows:

	December 31,	
	2023	2022
Raw materials	$50,867	$43,313
Work in process	4,110	2,892
Finished goods	662	450
Inventory reserve	(3,099)	(4,281)
	$52,540	$42,374

The Company reviews inventory for slow moving or obsolete amounts based on expected product sales volume and provides reserves against the carrying amount of inventory as appropriate.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

		December 31,	
	Useful Life	2023	2022
Machinery and equipment	5 – 10 years	$ 72,538	$ 64,626
Furniture and fixtures	3 – 5 years	987	987
Computer equipment	3 – 5 years	927	927
Leasehold improvements	Shorter of lease term or estimated useful life	14,981	11,993
Vehicles	5 years	264	264
Software	1 – 3 years	2,924	2,924
Construction in progress		4,189	4,145
Total		96,810	85,866
Less: Accumulated depreciation and amortization		(71,598)	(63,211)
Property and equipment, net		$ 25,212	$ 22,655

Depreciation and amortization expense for the years ended December 31, 2023 and 2022, was $8,387 and $8,575, respectively.

7. DEBT

Exchangeable Senior Notes

On April 19, 2021, concurrent with the execution of the Merger Agreement (see Note 1), Parent and the Company entered into subscription agreements (the "Note Subscription Agreements") with certain investors ("Notes Investors") pursuant to which such Notes Investors, severally and not jointly, purchased on the closing date of the Business Combination, senior notes (the "Exchangeable Notes") issued by the Company and guaranteed by its operating subsidiaries in an aggregate principal amount of up to $130,000 that were exchangeable into shares of Class A common stock of Parent at a conversion price of $11.50 per share, subject to adjustment pursuant to the terms and conditions of an indenture (the "Indenture") entered into by Parent and its subsidiary, the Company, and the trustee under the Indenture.

The Exchangeable Notes bear interest at a rate of 7% per year, payable semiannually in arrears on each June 15 and December 15, commencing on June 15, 2022, to holders of record at the close of business on the preceding June 1 and December 1 (whether or not such day is a Business Day), respectively. The Exchangeable Notes mature on December 27, 2026. Parent will settle any exchange of the Exchangeable Notes in shares of Class A common stock, with cash payable in lieu of any fractional shares. In connection with the issuance of the Exchangeable Notes, Parent entered into a Registration Rights Agreement, pursuant to which the Notes Investors received certain registration rights with respect to the Class A common stock.

After the three-year anniversary of the Closing Date, which will occur on December 27, 2024, the Exchangeable Notes will be redeemable at any time and from time to time by Parent, in whole or in part, (i) if the Last Reported Sale Price of the Class A common stock exceeds 130% of the exchange price as defined in the Indenture then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which Parent provides notice of redemption and (ii) so long as a registration statement registering the resale of all Exchange Shares is effective and available for use by holders of Exchangeable Notes during the entirety of the period from and including the date notice of redemption is given to and including the date of redemption. The notice period for any redemption will be no less than 30 scheduled trading days. The redemption price in any such redemption shall be equal to (a) 100% of the principal amount of the Exchangeable Notes to be redeemed, plus (b) accrued and unpaid interest to, but excluding, the redemption date. The redemption price is payable in cash.

Per the terms of the Indenture, holders of Exchangeable Notes in connection with any such redemption will receive a make-whole payment equal to the aggregate dollar value of all interest payable from the date Parent delivers notice of such redemption through the maturity of the Exchangeable Notes. The redemption Make-Whole Amount is payable, at Parent's option, in cash or through an increase in the exchange rate then applicable to the Exchangeable Notes by an amount equal to (i) the redemption Make-Whole Amount divided by (ii) the five day Volume Weighted Average Price ("VWAP") with regard to the Class A common stock during the five trading period beginning on the trading day immediately following the notice of redemption.

Holders of Exchangeable Notes may exchange their notes in whole or in part, at any time or from time to time, for shares of Parent's Class A common stock, par value $0.0001 per share, up to a maximum exchange rate of 99.9999 shares per $1,000 principal amount after adjustments as defined in the Indenture.

The Exchangeable Notes contain customary anti-dilution adjustments, taking into account the agreed terms in the Indenture. To avoid doubt, among other customary adjustments, this includes anti-dilution protections for dividends and distributions of Parent's capital stock, assets and indebtedness. Per the terms of the Indenture, the following are the anti-dilution adjustments of the exchange rate:

a. If Parent exclusively issues shares of common stock as a dividend or distribution on shares of the common stock, or if Parent effects a share split or share combination;

b. If Parent issues to all or substantially all holders of the common stock any rights, options or warrants (other than pursuant to a stockholders' rights plan) entitling them, for a period of not more than 45 calendar days after the announcement date of such issuance, to subscribe for or purchase shares of the common stock at a price per share that is less than the average of the last reported sale prices of the common stock for the 10 consecutive trading day period ending on, and including, the trading day immediately preceding the date of announcement of such issuance;

c. If Parent distributes shares of its capital stock, evidences of its indebtedness, other assets or property of Parent or rights, options or warrants to acquire its capital stock or other securities of Parent, to all or substantially all holders of the common stock;

d. If any cash dividend or distribution is made to all or substantially all holders of the common stock;

e. If Parent or any of its subsidiaries make a payment in respect of a tender or exchange offer for the common stock, to the extent that the cash and value of any other consideration included in the payment per share of the common stock exceeds the average of the last reported sale prices of the common stock over the 10 consecutive trading day period commencing on, and including, the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer.

The exchange rate will in no event be adjusted down pursuant to the provisions described above, except to the extent a tender or exchange offer is announced but not consummated.

If Parent undergoes a "fundamental change" (as defined in the Indenture), subject to certain conditions, the exchange rate will be adjusted per the adjustment table included in the Indenture. If a fundamental change occurs at any time prior to the maturity date, each holder shall have the right, at such holder's option, to require Parent to repurchase for cash all of such holder's Exchangeable Notes at a repurchase price equal to 100% of the principal amount of the Exchangeable Notes to be repurchased, plus accrued and unpaid interest thereon. There is no make-whole payment associated with a fundamental change redemption.

Holders of Exchangeable Notes will be entitled to the resale registration rights under the resale Registration Rights Agreement. If a Registration default occurs, additional interest will accrue, equal to 0.25% in the first 90 days and 0.50% after the 91st day after the Registration Default (which includes that the Registration Statement has not been filed, or deemed effective or ceases to be effective).

The Indenture contains customary terms and covenants and events of default. Upon an event of default as defined in the Indenture, the trustee or the holders of at least 25% in aggregate principal amount of the Exchangeable Notes may declare 100% of the principal of, and accrued and unpaid interest on, all the Exchangeable Notes to be due and payable immediately, and upon any such declaration, the same shall become and shall automatically be immediately due and payable. Upon an event of default in the payment of interest, Parent may elect the sole remedy to be the payment of additional interest of 0.25% for the first 90 days after the occurrence of such an event of default and 0.50% for days 91-180 after the occurrence of such an event of default.

The Company assessed all of the terms and features of the Exchangeable Notes in order to identify any potential embedded features that would require bifurcation. As part of this analysis, the Company assessed the economic characteristics and risks of the Exchangeable Notes, including the conversion, put and call features. In consideration of these provisions, the Company determined that the optional redemption with a make-whole provision feature required bifurcation as it is a derivative. The fair value of this derivative was determined based on the difference between the fair value of the Exchangeable Notes with the redemption

with a make-whole provision feature and the fair value of the Exchangeable Notes without the redemption with a make-whole provision feature. The Company employed a Lattice model to determine the fair value of the derivative. Upon issuance of the Exchangeable Notes, the fair value of the derivative was $552 and was recognized as a derivative liability with an offsetting amount recorded as a debt discount reducing the carrying value of the Exchangeable Notes on the Closing Date, or December 27, 2021. The optional redemption with a make-whole provision feature is measured at fair value on a quarterly basis and the change in the fair value for the period is recorded on the consolidated statements of operations. The Company performed a valuation of the derivative liability and determined that the fair value of the derivative liability was $425 at December 31, 2023 and $285 at December 31, 2022. The Company recorded an unfavorable change in fair value of $139 for the year ended December 31, 2023 and a favorable change in fair value of $266 for the year ended December 31, 2022.

The expected term of the Exchangeable Notes was equal to the period through December 27, 2026 as this represents the point at which the Exchangeable Notes will mature unless earlier exchanged in accordance with their terms prior to such date. For the years ended December 31, 2023 and 2022, the Company recognized $9,585 and $9,536, respectively, of interest expense related to the Exchangeable Notes at the effective interest rate of 7.4%. The fair value of the Company's Exchangeable Notes without the make-whole feature, was approximately $118,000 and $100,000, as of December 31, 2023 and 2022 respectively.

In connection with the issuance of the Exchangeable Notes, the Company incurred approximately $2,600 of debt issuance costs, which primarily consisted of underwriting fees, and allocated these costs to the liability component and recorded as a reduction in the carrying amount of the debt liability on the balance sheet. The portion allocated to the Exchangeable Notes is amortized to interest expense over the expected term of the Exchangeable Notes using the effective interest method.

Term Loan

In November of 2020, the Company entered into a new agreement with JPMC to refinance its then existing July 2019 credit facility, increasing the maximum aggregate amount available under the term loan to $240,000 bringing total credit facility to $300,000. In addition, the maturity date of both the revolver and term loan was amended to November 5, 2023. This amendment was accounted for as a modification and approximately $3,200 of additional costs incurred in connection with the modification capitalized as debt issuance costs.

In December of 2021, the Company entered into a new agreement with JPMC ("2021 Credit Facility") to refinance its then existing November 2020 credit facility, increasing the maximum aggregate amount available under the term loan to $250,000 bringing total credit facility to $310,000. In addition, the maturity date of both the revolver and term loan was amended to December 16, 2025. This amendment was accounted for as a modification and approximately $1,800 of additional costs incurred in connection with the modification capitalized as debt issuance costs.

In February 2023, the Company amended the 2021 Credit Facility to, among other things, transition from bearing interest based on LIBOR to SOFR or the Alternate Base Rate (as defined in the 2021 Credit Facility), at the election of the Company, plus an applicable margin, and to reflect the waiver of a technical default under the 2021 Credit Facility, related to the delayed delivery of a pledge of its interests in Holdings by Parent. Holdings had already pledged all of its assets in favor of the lenders as per the terms of the debt agreement. After the amendment on February 28, 2023, the interest rate spreads and fees under the 2021 Credit Facility are based on a quoted SOFR plus a SOFR adjustment of 0.10% and an applicable margin ranging from 1.75% to 2.75% as determined by the Company's prevailing Leverage Ratio for the revolving and term loan Term Benchmark and RFR Spread debt (as each term is defined in the 2021 Credit Facility).

In May 2023, certain lenders under the Company's 2021 Credit Facility transferred their debt to certain other lenders. Approximately $257 of additional costs incurred by the Company in connection with the transfers were capitalized as debt issuance costs. In addition, approximately $589 deferred finance fees

($ in thousands — except unit data)

incurred by the Company at the inception of the 2021 Credit Facility and relating to the transferring lenders were written off by the Company.

Interest on the Revolver and Term Loan were based the outstanding principal amount during the interest period multiplied by the fluctuating bank prime rate plus the applicable margin of 1.75% or for portions of the debt converted to Euro Loans, the quoted SOFR rate plus the applicable margin of 2.75%. At December 31, 2023 and 2022, the effective interest rate on the Revolver and Term Loan was 7.80% and 5.15% per annum, respectively. Interest is payable monthly in arrears or upon maturity of the Euro loans that can run 30, 90, 120, or 180 day time periods. The Company must pay quarterly an annual commitment fee of 0.35% on the unused portion of the $60 million Revolver commitment.

The amended 2021 Credit Facility is secured by substantially all of the assets of the Company. The terms of the credit facility imposes financial covenants including a minimum interest coverage ratio, a maximum total debt to EBITDA ratio and a minimum fixed charge coverage ratio. At December 31, 2023, the Company was in compliance with all financial covenants.

The terms of the credit facilities contain certain financial covenants including a minimum interest coverage ratio, a maximum total debt to EBITDA ratio and a minimum fixed charge coverage ratio. The Company made a prepayment of $4,060 and $13,753 related to the credit facilities in the years ended December 31, 2023 and 2022, respectively, per the terms of the facilities. At December 31, 2023 and December 31, 2022, the Company was in compliance with all financial covenants.

As of December 31, 2023 and December 31, 2022, there were no balances outstanding on the Revolver. At December 31, 2023, there was $60,000 of availability for borrowing under the Revolver.

The Company recognized $19,513 and $14,188 of interest expense related to the Revolver and Term Loan for the years ended December 31, 2023 and 2022, respectively.

The balances payable under all borrowing facilities are as follows:

	December 31, 2023			December 31, 2022		
	Term Loan	Exchangeable Notes	Total debt	Term Loan	Exchangeable Notes	Total debt
Loan Balance	$210,313	$130,000	$340,313	$233,122	$130,000	$363,122
Less: current portion of term loan (scheduled payments)	(10,313)	—	(10,313)	(14,372)	—	(14,372)
Less: net deferred financing and discount costs	(1,669)	(2,168)	(3,837)	(2,474)	(2,652)	(5,126)
Total Long Term debt	$198,331	$127,832	$326,163	$216,276	$127,348	$343,624
Derivative liability – redemption with make-whole provision		$ 425			$ 285	

The maturity of the all the borrowings facilities is as follows:

Years	
2024	$ 10,313
2025	200,000
2026	130,000
Total debt	$340,313

The Company is exposed to interest rate risk on variable interest rate debt obligations. To manage interest rate risk, the Company had entered into an interest rate swap agreement on November 5, 2020 to

hedge forecasted interest rate payments on its variable rate debt. In January 2022, the Company cancelled the November 2020 swap agreement and entered into a new interest rate swap agreement . The Company recognized a $400 gain upon the settlement of the November 2020 interest rate swap agreement in interest income reflected in statements of operations. At December 31, 2023, the Company's interest rate swap contract outstanding had a notional amount of $125,000 maturing in December 2025. The Company has designated the interest rate swap as a cash flow hedge for accounting purposes utilizing the hypothetical derivative method. The Company has determined the fair value of the interest rate swap to be zero at the inception of the agreement and $5,258 and $8,651 at December 31, 2023 and December 31, 2022, respectively. The Company reflects the realized gains and losses of the actual monthly settlement activity of the interest rate swap through interest income or expense in its consolidated statements of operations. The Company reflects the unrealized changes in fair value of the interest rate swap at each reporting period in other comprehensive income and a derivative asset or liability is recognized at each reporting period in the Company's financial statements. The interest rate swap converted to SOFR from LIBOR at the same time as the amendment of 2021 Credit Facility in February 2023.

8. Leases

Operating Leases

The Company leases certain office space and manufacturing space under arrangements currently classified as leases under ASC 842. The Company recognizes lease expense for these leases on a straight-line basis over the lease term. Most leases include one or more options to renew, with renewal options ranging from 1 to 5 years. The exercise of lease renewal options is at the Company's sole discretion.

Effective April 1, 2012, the Company entered into a 10-year lease for its office and manufacturing facilities in Somerset, New Jersey terminating in 2022. The lease contains escalating rental payments, exclusive of required payments for increases in real estate taxes and operating costs over base period amounts. The agreement provides for a 5 year renewal option. The lease provides for monthly payments of rent during the lease term. These payments consist of base rent, and additional rent covering customary items such as charges for utilities, taxes, operating expenses, and other facility fees and charges. The base rent is currently approximately $338 per year, which reflects an annual 3% escalation factor. The Company exercised its renewal option in December 2020.

Effective August 1, 2014, the Company entered into a 4-year lease for additional office and manufacturing space in Somerset, New Jersey terminating on July 31, 2018. The lease contains escalating rental payments. The Company has the option to extend the term for two periods of two years each. The Company had exercised both renewal options with last one exercised in 2020 for additional three years expiring on August 31, 2023. The base rent is currently approximately $106 per year, which reflects an annual 3% escalation factor. Effective November 1, 2023, the Company further extended the lease for additional 3-years. There is no renewal option available under the lease. The base rent is currently approximately $108 per year, which reflects an annual 4% escalation factor.

Effective June 16, 2016, the Company entered into a 10-year lease for a new facility. The lease contains escalating rental payments and terminates on September 30, 2026. The agreement also provides for a renewal option at a fixed rate. The base rent is currently approximately $850 per year, which reflects an annual 3% escalation factor.

Effective May 1, 2022, the Company entered into a 7-year lease for a new facility primarily for warehouse operations in Somerset, New Jersey terminating in 2029. The lease contains escalating rental payments, exclusive of required payments for increases in real estate taxes and operating costs over base period amounts. The agreement provides for two five year renewal options. The lease provides for monthly payments of rent during the lease term. These payments consist of base rent, management fee and additional

($ in thousands — except unit data)

rent covering customary items such as charges for utilities, taxes, operating expenses, and other facility fees and charges. The base rent is currently approximately $686 per year, which reflects an annual 3.8% escalation factor.

Effective July 1, 2022, the Company entered into a 3-year lease for a new office facility in Somerset, New Jersey terminating in 2025. The lease contains escalating rental payments, exclusive of required payments for increases in real estate taxes and operating costs over base period amounts. The agreement provides for one five year renewal option. The lease provides for monthly payments of rent during the lease term. These payments consist of base rent and additional rent covering customary items such as charges for utilities, taxes, operating expenses, and other facility fees and charges. The base rent is currently approximately $147 per year, which reflects an annual 3% escalation factor.

The Company's leases have remaining lease terms of 1 to 7 years. The Company does not include any renewal options in lease terms when calculating lease liabilities as the Company is not reasonably certain that it will exercise these options. Two of our leases include the early termination option in the lease term, however, it was not included in the lease terms when calculating the lease liability since the Company determined that it is reasonably certain it will not terminate the leases prior to the termination date.

The weighted-average remaining lease term for our operating leases was 4.0 years at December 31, 2023. The weighted-average discount rate was 3.82% at December 31, 2023.

ROU assets and lease liabilities related to our operating leases are as follows:

	Balance Sheet Classification	December 31, 2023	December 31, 2022
Right-of-use assets	Right of use assets	$7,473	$8,932
Current lease liabilities	Current portion of lease liabilities	1,948	1,846
Non-current lease liabilities	Non-current portion of lease liabilities	6,220	7,766

The Company has lease agreements that contain both lease and non-lease components. The Company accounts for lease components together with non-lease components (e.g., common-area maintenance). Variable lease costs are based on day to day common-area maintenance costs related to the lease agreements and are recognized as incurred.

The components of lease costs were as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Operating lease cost	$1,829	$1,854
Variable lease cost	897	653
Total lease cost	$2,726	$2,507

($ in thousands — except unit data)

Future minimum commitments under all non-cancelable operating leases are as follows:

2024	$ 2,421
2025	2,502
2026	2,240
2027	912
2028	846
Later years	359
Total lease payments	9,280
Less: Imputed interest	(1,112)
Present value of lease liabilities	$ 8,168

Supplemental cash flow information and non-cash activity related to our operating leases are as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Operating cash flow information:		
Cash paid for amounts included in the measurement of lease liabilities	$2,303	$1,700
Non-cash activity:		
Right-of-use assets obtained in exchange for lease obligations	$ 491	$5,104

9. EQUITY STRUCTURE

Prior to the Resolute Transaction (see Note 16), ownership in the Company was represented by Class A units held by Parent and Class B units held by other owners. Pursuant to an exchange agreement between the Company and Parent, each of the Company's Class B units had the same economic rights as each of the Company's Class A units, the number of the Company's Class A units outstanding equals the number of shares of Parent's Class A common stock outstanding, and one of the Company's Class B units was exchangeable for one share of Parent's Class A common stock and the surrender of one share of Parent's Class B common stock for cancellation. Upon the issuance by Parent of any shares of Class A common stock, other than pursuant to an exchange, the proceeds are contributed to the Company in exchange for the issuance of an equal number of Class A units. If the Company issued a Class B unit, Parent would issue a share of its Class B common stock to the recipient of the Company's Class B unit.

As of December 31, 2023, Parent had authorized a total of 250,000,000 shares for issuance designated as Class A common stock, 75,000,000 designated as Class B common stock and 10,000,000 shares designated as preferred stock. As of December 31, 2023, there were 19,415,123 shares of Parent's Class A common stock issued and outstanding, 59,958,422 shares of Parent's Class B common stock issued and outstanding and no shares of Parent's Preferred Stock issued and outstanding. As of December 31, 2022, there were 16,446,748 shares of Parent's Class A common stock issued and outstanding, 60,325,057 shares of Parent's Class B common stock issued and outstanding and no shares of Parent's Preferred Stock issued and outstanding.

For each Class A and Class B share of common stock outstanding at Parent, a corresponding unit outstanding was also reflected at Holdings.

10. STOCK-BASED COMPENSATION

The following table summarizes Parent's equity plan, which provides compensation to employees of the Company and its subsidiaries. Equity-based compensation expense is included in selling, general and administrative expenses within the consolidated statements of operations:

COMPOSECURE HOLDINGS, L.L.C.

Notes to Consolidated Financial Statements
($ in thousands — except unit data)

	Year Ended December 31,	
	2023	2022
Stock option expense	$ 305	$ 1,228
Earnout consideration	—	—
Restricted stock unit expense	13,839	9,221
Performance stock unit expense	2,369	—
Employee stock purchase plan	135	25
Incentive units	—	39
Total stock-based compensation expense	$16,648	$10,513

Equity Incentive Plan

In connection with the Business Combination consummated on December 27, 2021, Parent established the 2021 Incentive Equity Plan (the "2021 Plan") effective as of December 27, 2021. The purpose of the 2021 Plan is to provide eligible employees of Parent and its subsidiaries, certain consultants and advisors who perform services for Parent or its subsidiaries, and non-employee members of the Board of directors of Parent, with the opportunity to receive grants of incentive stock options, nonqualified stock options, stock appreciation rights, stock awards, stock units, and other stock-based awards. The aggregate authorized number of shares of Parent's Class A common stock that may be issued or transferred as of December 31, 2022 under the Plan is 12,030,280 shares of Class A common stock plus the number of shares of Class A stock underlying grants issued under the Company's existing amended and restated equity compensation Plan that expire, terminate or are otherwise forfeited without being exercised. Commencing with the first business day of each calendar year beginning in 2022, the aggregate number of shares of Class A common stock that may be issued or transferred under the 2021 Plan shall be increased by an amount of shares of Class A common stock equal to 4% of the aggregate number of shares of Class A common stock and Class B common stock outstanding as of the last day of the immediately preceding calendar year, or such lesser number of shares of Class A common stock as may be determined by the Board.

In the year ended December 31, 2022, under the 2021 plan, Parent granted Restricted stock units ("RSUs") to employees generally vesting over a period of two years and four years. RSUs granted to board of directors generally vest over a period of one year. The restricted stock will generally be forfeited upon termination of an employee prior to vesting. The fair value of each RSU is based on the market value of Parent's stock on the date of grant. Parent also awarded 449,380 Performance stock units ("PSUs") to one officer in the year ended December 31, 2022, for which vesting was based on the achievement of certain market performance targets. Parent also awarded 658,156 PSUs to officers in the year ended December 31, 2023, for which vesting was based on the achievement of certain performance targets. For the market based award, fair value is determined at the grant date. The performance based awards are adjusted each reporting date based on probability. At the grant date, the Company performed a valuation which took into consideration all the key terms and conditions of the award under Topic 718. The valuation of the PSUs was determined using a Monte Carlo simulation model that utilizes significant assumptions, including volatility, that determine the probability of satisfying the market condition stipulated in the award to calculate the fair value of the award.

A summary of RSU and PSU activity under the 2021 Plan during the year ended December 31, 2023 is presented below:

COMPOSECURE HOLDINGS, L.L.C.

Notes to Consolidated Financial Statements
($ in thousands — except unit data)

Restricted Stock Unit Activity

	Number of Shares
Outstanding at January 1, 2023	5,289,861
Granted	1,746,756
Vested	(1,395,770)
Forfeited	(151,375)
Nonvested at December 31, 2023	5,489,472

Unrecognized compensation expense for the RSUs was $26,441 as of December 31,2023.

Performance and Market based Stock Units Activity

	Number of Shares
Outstanding at January 1, 2023	449,380
Granted	658,156
Vested	—
Forfeited	—
Nonvested at December 31, 2023	1,107,536

Unrecognized compensation expense for the PSUs was $3,402 as of December 31,2023.

Earnouts

	Number of Shares
Outstanding at January 1, 2023	657,160
Granted	—
Vested	—
Nonvested at December 31, 2023	657,160

Employee Stock Purchase Plan

Effective December 27, 2021, the Board of Directors of Parent approved the Employee Stock Purchase Plan (the "ESPP"). Parent had authorized 2,411,452 aggregate number of shares of its Class A common stock reserved for sale pursuant to the ESPP as of December 31, 2022. The ESPP permits participating eligible employees to purchase Parent's Class A common stock, with after-tax payroll deductions, on a quarterly basis at a 15% discount at the lower of the closing price of the common stock on the Nasdaq on the first day of the offering period or the last trading day of each purchase period. The Board of Directors may suspend or terminate the ESPP at any time to become effective immediately following the close of any offering period. As of December 31, 2023 and December 31, 2022 , there were 2,312,747 and 2,393,193 shares of Class A common stock remaining authorized for issuance under the ESPP. The Company will recognize the discount on the common stock issued under the ESPP as equity-based compensation expense in the period in which the employees will begin participating in the ESPP. For the year ended December 31, 2022, the Company issued 18,259 units and recognized compensation expense of $25. For the year ended December 31, 2023, the Company issued 80,446 units and recognized compensation expense of $135.

Holdings' 2015 Incentive Plan

Holdings' May 2015 equity incentive Plan (the "2015 Plan") provided for the grant of options, Class C unit appreciation rights, restricted Class C units, unrestricted Class C unit awards and other equity awards

to certain employees and officers. The exercise price of unit options granted under the 2015 Plan was equal to the fair market value of the Holdings' members' equity at the date of grant. Options vest and become exercisable incrementally over a 5-year and 4-year period, depending on the grant. The options also provided for accelerating vesting if there is a change in control as described in the Plan agreement. The options expire on the 10th anniversary of the grant date. Outstanding awards under the 2017 Plan continue to be subject to the terms and conditions of the 2017 Plan.

Upon consummation of the Business Combination on December 27, 2021 (see Note 3), Holdings amended and restated its 2015 Plan and the holders of issued and outstanding equity under the 2015 Plan received a combination of cash consideration, certain newly-issued membership units of Holdings and shares of newly-issued Class B common stock of Parent, which have no economic value, but entitle the holder to one vote per issued share and were issued on a one-for-one basis for each Holdings unit retained by the holder following the Merger. All incentive units available for grants under the 2015 Plan at the time of the consummation will be made available for new award grants under the 2021 Plan and no further awards will be granted under the 2015 Plan. As a result, all of the options, whether vested or unvested, outstanding immediately prior to the merger that were not settled as part of the transaction were assumed by the Company and converted into an option to purchase shares of Parent's Class A common stock. Each converted options continue to have and be subject to substantially the same material terms and conditions as were applicable to such options under the 2015 Plan except that each converted option shall be exercisable for, and represent the right to acquire, that number of shares of Class A common stock equal to the product (rounded down to the nearest whole number) of (A) the number of Units subject to the converted option immediately before the merger effective time multiplied by (B) the Equity Award Exchange Ratio at an exercise price per share equal to the quotient of (i) the exercise price per unit of such converted option immediately before the consummation of the Business Combination divided by (ii) the Equity Award Exchange Ratio (rounding the resulting exercise price up to the nearest whole cent). Except as specifically provided in the Business Combination Agreement, following the Business Combination, each exchanged option will continue to be governed by the same terms and conditions (including vesting and exercisability terms) as were applicable to the corresponding former Holdings 2015 Plan immediately prior to the consummation of the Business Combination. As a result of the modification, all of 9,778 options outstanding right before the Business Combination were recapitalized into 6,823,006 options of which 1,413,235 were settled and 5,409,771 remained outstanding at December 31, 2021. A total of 644,226 options were exercised in the year ended December 31, 2022 and 4,765,545 options remained outstanding at December 31, 2022. A total of 1,487,082 options were exercised in the year ended December 31, 2023 and 3,278,463 options remained outstanding at December 31, 2023. There was no incremental expense recognized since the options were recapitalized with terms consistent with prior awards and there were no incremental changes to fair value. There were a total of twelve grantees affected by the recapitalization.

Earnout Consideration

As a result of the Business Combination, certain of Holdings' equity holders have the right to receive an aggregate of up to 7,500,000 additional (i) shares of Parent's class A common stock or (ii) Holdings' Units (and a corresponding number of shares of Parent's class B common stock), as applicable, in earnout consideration based on the achievement of certain stock price thresholds (collectively, the "Earnouts"). There were a total of 657,160 shares subject to ASC 718, or 328,580 shares for each Phase since they were issued to the Company's employees.

Upon the transaction date, a valuation was performed which took into consideration all the key terms and conditions of the award, including the fact that, under Topic 718, there is no requisite service period due to the fact that there is no service condition prospectively, and as of the grant date there is no service inception date preceding the grant date on which to base historical valuation or expense amortization. As such, the award is considered to be immediately vested from a service perspective, and is solely contingent on meeting the hurdles required for the award to be settled. Since there is no future substantive risk of forfeiture, all expenses associated with the awards were accelerated and recognized on December 27, 2021. There

were a total of 657,160 shares subject to Topic 718 or 328,580 shares per Phase with an intrinsic value of $5,395 as of December 31, 2021. Parent recognized a total expense of $4,610 related to Earnouts in its consolidated statements of operations for the year ended December 31, 2021.

Holdings' Options Valuation

Prior to the completion of the Business Combination the fair value of Holdings' options was determined by using the Black-Scholes option valuation model based upon information available at the time of grant. The calculated value of each option award was estimated at the date of grant using the Black-Scholes option valuation model. The expected term assumption reflected the period for which Holdings believed the option will remain outstanding. This assumption was based upon the historical and expected behavior of Holdings' employees. Holdings had elected to use the calculated value method to account for the options it had issued. A nonpublic entity that is unable to estimate the expected volatility of the price of its underlying share may measure awards based on a "calculated value," which substitutes the volatility of an appropriate index for the volatility of the entity's own share price. To determine volatility, Holdings had used the historical closing values of comparable publicly held entities to estimate volatility. The risk-free rate reflected the U.S. Treasury yield curve for a similar expected life instrument in effect at the time of the grant.

The assumptions utilized to calculate the value of the options granted for the year ended December 31, 2020 were as below:

	December 31, 2020
Expected term	1 year
Volatility	44.00%
Risk-free rate	1.07%
Expected dividends	0%
Expected forfeiture rate	0%

Stock Options Activity

Upon consummation of the Business Combination, Holdings' options were assumed by Parent and recapitalized. Because of the nature of the recapitalization in a Business Combination, the Company recalculated new fair values for the affected stock options and profits interest to preserve the total grant date fair value originally issued. All stock option activity was retroactively restated to reflect the exchanged options.

The following table sets forth the options activity under the Holdings' equity plan which was assumed by Parent and recapitalized for the year ended December 31, 2023:

	Number of Shares	Weighted Average Exercise Price Per Shares	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2023	4,765,545	$1.44	4.8	$16,939
Granted	—	—	—	—
Exercised	1,487,082	$0.41	1.5	$ 9,465
Outstanding at December 31, 2023	3,278,463	$1.88	2.9	$11,780
Vested and expected to vest at December 31, 2023	3,278,463	$1.88	2.9	$11,780
Exercisable at December 31, 2023	3,274,954	$1.88	2.9	$11,780

The weighted average calculated grant date fair value per time-vested option granted during the year ended December 31, 2020 was $6.36. The Company recognized approximately $305 and $1,228 of compensation expense for the options in selling, general and administrative expenses in the accompanying consolidated statements of operations in 2023 and 2022, respectively.

The number of options exercisable and vested as of December 31, 2023 and 2022 were 3,274,954 and 4,616,197, respectively. The weighted average exercise price of options exercisable and vested is $1.88 and $1.29 for the years ended December 31, 2023 and 2022, respectively. The weighted average remaining contractual years term (years) per options exercisable as of December 31, 2023 and 2022 is 2.9 and 3.1, respectively. Unrecognized compensation expense for the options of approximately $3 is expected to be recognized during the next one year.

Profits Interest (Incentive Units)

On May 11, 2017, the members of Holdings executed a limited liability company agreement for an entity formed in 2016 titled CompoSecure Employee LLC. The purpose of the entity was to hold Operating Incentive units. In May 2017, the Company granted 1,320,765 incentive units with a profits interest hurdle of $232,232. No interests were granted during the years ended December 31, 2023 and December 31, 2022. Upon consummation of the Business Combination on December 27, 2021, all of the incentive units, whether vested or unvested, outstanding immediately prior to the merger that were not settled as part of the transaction, were assumed by Parent and converted into Class B common stock. The total Class B common stock related to the conversion outstanding was 1,236,027 as of December 31, 2023.

The Company recognized approximately $0 and $39 of compensation expense for the incentive units in selling, general and administrative expenses in the accompanying consolidated statements of operations in 2023 and 2022, respectively. No unrecognized compensation expense remained for the incentive units as of December 31, 2023.

11. RETIREMENT PLAN

Defined Contribution Plan

The Company's subsidiary maintains a 401(k) profit sharing plan available to all full-time employees who have attained the age of 21 and completed 90 days of service. The Company matches 100% of the first 1% and then 50% of the next 5% of employee contributions. Retirement plan expense for the years ended December 31, 2023 and 2022 was approximately $1,813 and $1,614, respectively.

Deferred Compensation Plan

The Company has a self-administered deferred compensation plan that accrues a liability for the benefit of certain employees equal to 0.25% year-over-year change in Earnings Before Interest Depreciation "EBITDA" that began in 2014. The total liability was $0 and $242 at December 31, 2023 and 2022 and is recorded in other liabilities on the balance sheet. The Plan vests over a seven year period according to the following vesting schedule: Year 1 – 0.0%, Year 2 – 5.0%, Year 3 – 15.0%, Year 4 – 20.0%, Year 5 – 30.0%, Year 6 – 50.0%, Year 7 – 100%. The plan was terminated in the year ended December 31, 2021 and the remaining liability was paid in the year ended December 31, 2023.

12. FAIR VALUE MEASUREMENTS

In accordance with ASC 820-10, the Company evaluates assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level at which to classify them for each reporting period. This determination requires significant judgments to be made by the Company.

The Company's financial assets and liabilities measured at fair value on a recurring basis, consisted of the following types of instruments as of the following dates:

($ in thousands — except unit data)

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Assets Carried at Fair Value:				
Derivative asset – interest rate swap	$ —	$5,258	$ —	$5,258
Liabilities Carried at Fair Value:				
Derivative liability – redemption with make-whole provision	—	—	425	425
December 31, 2022				
Assets Carried at Fair Value:				
Derivative asset – interest rate swap	$ —	$8,651	$ —	$8,651
Liabilities Carried at Fair Value:				
Derivative liability – redemption with make-whole provision	—	—	285	285

13. GEOGRAPHIC INFORMATION AND CONCENTRATIONS

The Company headquarters and substantially all of its operations, including its long-lived assets, are located in the U.S. Geographical revenue information based on the location of the customer follows:

	Year Ended December 31,	
	2023	2022
Net sales by country		
Domestic	$321,470	$295,423
International	69,159	83,053
Total	$390,629	$378,476

The Company's principal direct customers as of December 31, 2023 consist primarily of leading international and domestic banks and other credit card issuers primarily within the U.S., Europe, Asia, Latin America, Canada, and the Middle East. The Company periodically assesses the financial strength of these customers and establishes allowances for anticipated losses, if necessary.

Two customers individually accounted for more than 10% of the Company's revenue or 70.5% of total revenue for the year ended December 31, 2023. Two customers individually accounted for more than 10% of the Company's revenue or 67.3% of total revenue for the year ended December 31, 2022. Two customers individually accounted for more than 10% of the Company's accounts receivable or approximately 73% as of December 31, 2023 and two customers individually accounted for 10% of total accounts receivable or 63% as of December 31, 2022.

The Company primarily relied on three vendors that individually accounted for more than 10% of purchases of supplies for the year ended December 31, 2023. The Company primarily relied on two vendors that individually accounted for more than 10% of purchases of supplies for the year ended December 31, 2022.

14. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases certain office space and manufacturing space under arrangements currently classified as leases under ASC 842. See Note 8 for future minimum commitments under all non-cancelable operating leases.

Litigation

The Company may be, from time to time, party to various disputes and claims arising from normal business activities. The Company accrues for amounts related to legal matters if it is probable that a liability has been incurred and the amount is reasonably estimable. while the outcome of existing disputes and claims is uncertain, the Company does not expect that the resolution of existing disputes and claims would have a material adverse effect on its consolidated financial position or liquidity or the Company's consolidated results of operations. Litigation expenses are expensed as incurred. In February 2021, the Company had received from a third party a notice of dispute with respect to whether commissions were due and owing on product sales to certain of the Company's customers which could have required payments ranging from $4,000 to $14,000, plus costs and expenses. In October 2022, this dispute was resolved through binding arbitration, resulting in commission payments to the third party within the anticipated range, together with additional commission payments on future sales, if any, to one customer. The Company made a payment of $10,259 related to these commission payments in the year ended December 31, 2022.

15. RELATED PARTY TRANSACTIONS

In November 2015, the Company entered into a sales representation agreement with a third party, partially owned by an individual who was then a member of Holdings' Board of Managers. The individual was a Class B unitholder of the Company at December 31, 2022 and during the nine month period ended September 30, 2023, however, was no longer a unitholder at September 30, 2023. In 2016, the Company commenced litigation against such third party seeking a judicial determination that the sales representation agreement was void and unenforceable, among other claims. In February 2018, the trial court ruled against the Company in the litigation, concluding that the sales representation agreement was valid and enforceable. The Company appealed the ruling, however, the ruling was upheld. As a result of the ruling, the Company was instructed to pay the commissions in accordance with the terms of the sales representation agreement, interest related to the commissions, and legal fees on behalf of the third party. Expenses relating to this agreement for the years ended December 31, 2023 and 2022 amounted to $13,869 and $21,959, respectively, and were recorded as a component of selling, general and administrative expenses. In October 2019, the Company terminated the sales representation agreement. Customers in place prior to the termination of the agreement are subject to the arrangement and are eligible for future commissions, which are payable and are being accrued and paid in accordance with the terms of the sales representation agreement. Amounts accrued as a component of accrued expenses as of December 31, 2023 and December 31, 2022 related to this agreement amounted to $4,429 and $3,317, respectively. In February 2021, the Company had received from such third party a notice of dispute with respect to whether commissions were due and owing on product sales to certain of the Company's customers. In October 2022, the Company resolved this dispute through binding arbitration. See Note 14.

Pursuant to Holdings' limited liability company agreement, the Company makes pro rata tax distributions to the holders of Holdings' units, in an amount sufficient to fund all or part of their tax obligations with respect to the taxable income of Holdings that is allocated to them. For the year ended December 31, 2023, Holdings distributed a total of $49,955 of tax distributions to its members, of which $11,593 was paid to Parent, resulting in a net tax distribution to all other members of $38,362. For the year ended December 31, 2022, Holdings distributed a total of $44,434 of tax distributions to its members, of which $8,141 was paid to Parent, resulting in a net tax distribution to all other members of $36,293.

Activity between Parent and the Company was primarily due to deal related transactions pursuant to the Business Combination (see Note 1). Balances due from Parent are not expected to be repaid within the next 12 months.

16. SUBSEQUENT EVENTS

The Company evaluated all events or transactions that occurred after the consolidated balance sheet date of December 31, 2023 through , the date these consolidated financial statements were available to be issued.

Equity transactions

During May 2024, certain holders of the shares of Class B common stock exchanged an aggregate of 8,050,000 Class B units in Holdings (together with the corresponding number of shares of the Company's Class B common stock) in exchange for 8,050,000 shares of Class A common stock (the "Exchange"). Upon the Exchange, the exchanged shares of Class B common stock and the corresponding number of shares of Class B units were canceled. Immediately following the Exchange, pursuant to the Underwriting Agreement, dated as of May 8, 2024, (the "Underwriting Agreement"), by and among Parent, the Company, the Representatives, the Underwriters and the Selling Stockholders named therein, the Selling Stockholders sold 8,050,000 shares of the Company's Class A common stock to the Underwriters (the "Secondary Offering"). The Parent did not receive any proceeds from the sale of the shares of Class A common stock by the selling stockholders. As a result of these transactions, the number of outstanding shares of the Company's Class B units decreased by 8,050,000 and the number of outstanding shares of the Company's Class A units stock increased by 8,050,000.

On June 11, 2024, the Company disbursed a special dividend to the Company's Class B unitholders of $15,573.

On August 7, 2024, all of the Class B stockholders of Parent and affiliates of Resolute Compo Holdings, L.L.C., including Tungsten 2024 LLC ("Resolute") entered into stock purchase agreements, pursuant to which the selling shareholders would exchange their 51,908,422 Class B units (and corresponding shares of Class B common stock) for shares of Parent's Class A common stock, eliminating Parent's existing dual-share class structure. On September 17, 2024, the transactions (the "Resolute Transaction") closed and Resolute became the majority owner of Parent by acquiring 49,290,409 of the outstanding shares of Class A common stock of Parent for an aggregate purchase price of approximately $372.1 million, or $7.55 per share, representing an approximately 60% voting interest. Parent was not party to the stock purchase transactions. Subsequent to the Resolute Transaction, Parent owned 100% of the outstanding Class A units of the Company, and the Class B units were eliminated. As a wholly-owned subsidiary of Parent, Holdings is now a disregarded entity for U.S. federal income tax purposes.

In connection with the Resolute Transaction, on September 17, 2024, the Parent and Resolute entered into the Governance Agreement, pursuant to which the Company and Resolute and certain of its affiliates (collectively, the "Stockholder") shall take all reasonable actions within their respective control to (i) fix and maintain the number of directors that will constitute the whole Board at eleven (11) directors, (ii) maintain on the Board at all times no less than six (6) directors who each qualify as an "independent director" under the Exchange Act and the Nasdaq listing rules (collectively, the "Independent Directors"), as such individuals may be designated by the Nominating Committee of the Board (the "Nominating Committee"), (iii) maintain on the Board at all times the then serving Chief Executive Officer of the Company (the "Executive Director"), (iv) maintain at all times a Nominating Committee that is comprised of a majority of Independent Directors, (v) maintain on the Board, for so long as the Stockholder owns or holds (whether beneficially, of record or otherwise) at least 35% of the outstanding shares of common stock, no less than six (6) designees of the Stockholder (collectively, the "Stockholder Directors"), of whom two (2) shall qualify as Independent Directors and be subject to approval of the Nominating Committee, which approval shall not be unreasonably withheld (collectively, the "Stockholder-Designated Independent Directors"), and (vi) cause to be elected or appointed to the Board each such designated Independent Director (including the Stockholder-Designated Independent Directors, as applicable), each other Stockholder Director (as applicable) and the Executive Director. In addition, the Governance Agreement provides for a twelve (12) month lock-up period, during which time the Stockholder and its affiliates may not, subject to the terms of the Governance Agreement, sell, dispose of or otherwise Transfer (as defined in the Governance Agreement) any Voting Shares (as defined in the Governance Agreement), except for certain Permitted Transfers (as defined in the Governance Agreement). Additionally, the Governance Agreement provides for a twelve (12) month standstill period, during which time the Stockholder and its affiliates, subsidiaries, or associates may not, amongst other matters and subject to the terms of the Governance Agreement, acquire, offer or propose to acquire,

or participate in a "group" (within the meaning of Section 13(d)(3) of the Exchange Act) to acquire additional securities of the Company if such acquisition or participation in a group would result in the Stockholder and its controlled affiliates owning securities of the Company representing more than that percentage of the total issued and outstanding shares of Class A common stock owned by the Stockholder as of the effective date of the Governance Agreement. The Governance Agreement further prohibits, for a period of twenty-four (24) months following the effective date of the Governance Agreement and subject to the terms contained therein, (i) the Company and the Stockholder from entering into any Rule 13e-3 Transaction (as defined in the Governance Agreement), and (ii) the Stockholder or its affiliates from effecting any short-form merger with the Company pursuant to Section 253 of the General Corporation Law of the State of Delaware. The Governance Agreement also provides that, unless and until the Governance Agreement is terminated, none of the Company, the Board or the Stockholder will authorize, approve or ratify a voluntary delisting of the shares of Class A common stock from the Nasdaq stock exchange or voluntary deregistration of shares of Class A common stock under the Exchange Act, in either case, without the prior approval of a majority of the Independent Directors. The foregoing summary of the Governance Agreement is not complete and is qualified in its entirety by reference to the full text of such document, attached as Exhibit 10.4, to Parent's 2024 third quarter Form 10-Q.

Term loan

On August 7, 2024, the Company entered into a Fourth Amended and Restated Credit Agreement with JPMC to refinance its existing credit facility to $330,000 which is comprised of a term loan of $200,000 and revolving credit facility of $130,000. The amended facility will mature in August 2029.

Convertible debt

On June 11, 2024, Parent paid a special cash dividend to its Class A shareholders, and the Company made a corresponding distribution to its Class B unitholders. As a result of the special cash dividend and distribution, the conversion price of the Exchangeable Notes was adjusted to $10.98 per share, which resulted in an adjustment to the exchange rate to 91.0972 shares of Parent's Class A common stock per $1,000 principal amount of Exchangeable Notes exchanged.

Effective September 19, 2024, Resolute's acquisition of a majority of Parent's common stock caused a Fundamental Change, as defined in the Indenture pursuant to which $130 million of 7% Exchangeable Notes discussed in Note 7 were subject. This Fundamental Change provides holders of the Exchangeable Notes a choice to: (1) exchange the Exchangeable Notes for shares of Parent's Class A common stock at a temporarily increased exchange rate of 104.5199 shares per $1,000 principal amount of Exchangeable Notes until November 27, 2024 (with the exchange rate then reverting to the existing 91.0972 shares per $1,000 principal amount of Notes); (2) have Parent repurchase for cash of all of such holder's Exchangeable Notes on November 29, 2024 at a repurchase price equal to 100% of the principal amount of the Exchangeable Notes to be repurchased plus accrued and unpaid interest; or (3) continue to hold the Exchangeable Notes. Through November 27, 2024, an aggregate of $130 million of the Exchangeable Notes have been surrendered, representing the entire balance of our convertible notes outstanding. The Exchangeable Notes were exchanged for an aggregate of 13,587,565 million newly-issued shares of Parent's Class A common stock. Corresponding Class A units were issued by Holdings.

The Parent entered into a Business Combination which occurred on December 27, 2021. Pursuant to the merger agreement certain parties have the right to receive additional consideration (the "earn-out consideration") upon achievement of specified stock price thresholds for the Parent's Class A common stock on or prior to the third and fourth anniversaries of the completion of the Business Combination. On December 17, 2024, the Parent issued an aggregate of 3.6 million shares of its Class A common stock in connection with the achievement of a $15.00 volume-weighted average price per share over the required time period on or prior to the third anniversary of the completion of the Business Combination. Corresponding Class A units were issued by Holdings.

COMPOSECURE HOLDINGS, L.L.C.

Notes to Consolidated Financial Statements
($ in thousands — except unit data)

On Holdings entered into a management agreement which in which Resolute Management, Inc will provide management and other related services to Holdings in exchange for payment of quarterly management fees based on 2.5% of trailing twelve-month adjusted EBITDA calculated in accordance with the management agreement.

COMPOSECURE HOLDINGS, L.L.C.

Consolidated Balance Sheets
($ in thousands)

	September 30, 2024	December 31, 2023
	Unaudited	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 44,815	$ 38,191
Accounts receivable, net	43,799	40,488
Inventories, net	55,090	52,540
Prepaid expenses and other current assets	3,606	5,041
Total current assets	147,310	136,260
Property and equipment, net	23,062	25,212
Right of use assets, net	5,929	7,473
Derivative asset – interest rate swap	2,775	5,258
Due from Parent	49,374	39,780
Deposits and other assets	1,762	24
Total assets	$ 230,212	$ 214,007
LIABILITIES AND MEMBERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	$ 8,018	$ 5,170
Accrued expenses	17,216	12,527
Commission payable	2,967	4,429
Bonus payable	7,732	5,616
Current portion of long-term debt	10,000	10,313
Current portion of lease liabilities	2,070	1,948
Total current liabilities	48,003	40,003
Long-term debt, net of deferred finance costs	188,149	198,331
Convertible notes	128,220	127,832
Derivative liability – convertible notes redemption make-whole provision	—	425
Lease liabilities, operating	4,490	6,220
Total liabilities	368,862	372,811
Commitments and contingencies (Note 11)		
MEMBERS' DEFICIT		
Members' capital	88,328	82,162
Accumulated other comprehensive income	2,775	5,258
Accumulated deficit	(229,753)	(246,224)
Total members' deficit	(138,650)	(158,804)
TOTAL LIABILITIES AND MEMBERS' DEFICIT	$ 230,212	$ 214,007

The accompanying notes are an integral part of these unaudited consolidated financial statements.

COMPOSECURE HOLDINGS, L.L.C.

Consolidated Statements of Operations (Unaudited)
($ in thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net sales	$107,135	$96,886	$319,712	$290,729
Cost of sales	51,727	47,990	153,019	134,542
Gross profit	55,408	48,896	166,693	156,187
Operating expenses:				
Selling, general and administrative expenses	22,561	18,657	68,012	62,976
Income from operations	32,847	30,239	98,681	93,211
Other income (expense):				
Change in fair value of derivative liability – convertible notes redemption make-whole provision	544	149	425	(364)
Interest expense, net	(5,156)	(5,720)	(15,924)	(17,091)
Loss on extinguishment of debt	(148)	—	(148)	—
Amortization of deferred financing costs	(249)	(314)	(908)	(1,288)
Total other expense, net	(5,009)	(5,885)	(16,555)	(18,743)
Net income	$ 27,838	$24,354	$ 82,126	$ 74,468

The accompanying notes are an integral part of these unaudited consolidated financial statements.

COMPOSECURE HOLDINGS, L.L.C.

Consolidated Statements of Comprehensive Income (Unaudited)
($ in thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net income	$27,838	$24,354	$82,126	$74,468
Other comprehensive loss, net:				
Unrealized loss on derivative – interest rate swap	(2,406)	(274)	(2,483)	(596)
Total other comprehensive loss, net	(2,406)	(274)	(2,483)	(596)
Comprehensive income	$25,432	$24,080	$79,643	$73,872

The accompanying notes are an integral part of these unaudited consolidated financial statements.

COMPOSECURE HOLDINGS, L.L.C.

Consolidated Statements of Members' Deficit (Unaudited)
($ in thousands)

	Members' Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Members' Deficit
Balance as of December 31, 2023	$82,162	$ 5,258	$(246,224)	$(158,804)
Tax distributions	—	—	(13,422)	(13,422)
Equity-based compensation	4,166	—	—	4,166
Net income	—	—	26,386	26,386
Payments for taxes related to net settlement of equity awards	(3,426)			(3,426)
Unrealized gain on derivative – interest rate swap	—	487	—	487
Balance as of March 31, 2024	$82,902	$ 5,745	$(233,260)	$(144,613)
Tax distributions	—	—	(22,961)	(22,961)
Special distribution	—	—	(15,573)	(15,573)
Equity-based compensation	5,044	—	—	5,044
Net income	—	—	27,902	27,902
Payments for taxes related to net settlement of equity awards	(5,006)	—	—	(5,006)
Unrealized loss on derivative – interest rate swap	—	(564)	—	(564)
Balance as of June 30, 2024	$82,940	$ 5,181	$(243,892)	$(155,771)
Tax distributions	—	—	(13,699)	(13,699)
Equity-based compensation	5,388	—	—	5,388
Net income	—	—	27,838	27,838
Unrealized loss on derivative – interest rate swap	—	(2,406)	—	(2,406)
Balance as of September 30, 2024	$88,328	$ 2,775	$(229,753)	$(138,650)

	Members' Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Members' Deficit
Balance as of December 31, 2022	$68,640	$ 8,651	$(297,471)	$(220,180)
Tax distributions	—	—	(12,359)	(12,359)
Equity-based compensation	4,022	—	—	4,022
Net income	—	—	23,564	23,564
Payments for taxes related to net settlement of equity awards	(2,409)	—	—	(2,409)
Unrealized loss on derivative – interest rate swap	—	(1,694)	—	(1,694)
Balance as of March 31, 2023	**$70,253**	**$ 6,957**	**$(286,266)**	**$(209,056)**
Tax distributions	—	—	(25,241)	(25,241)
Stock-based compensation	3,966	—	—	3,966
Net income	—	—	26,550	26,550
Payments for taxes related to net settlement of equity awards	(74)	—	—	(74)
Unrealized gain on derivative – interest rate swap	—	1,372	—	1,372
Balance as of June 30, 2023	**$74,145**	**$ 8,329**	**$(284,957)**	**$(202,483)**
Tax distributions	—	—	(12,354)	(12,354)
Equity-based compensation	4,378	—	—	4,378
Net income	—	—	24,354	24,354
Payments for taxes related to net settlement of equity awards	(643)	—	—	(643)
Unrealized loss on derivative – interest rate swap	—	(274)	—	(274)
Balance as of September 30, 2023	**$77,880**	**$ 8,055**	**$(272,957)**	**$(187,022)**

The accompanying notes are an integral part of these unaudited consolidated financial statements.

COMPOSECURE HOLDINGS, L.L.C.

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

	Nine months ended September 30,	
	2024	**2023**
Cash flows from operating activities:		
Net income	$ 82,126	$ 74,468
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	6,932	6,249
Stock-based compensation expense	14,598	12,366
Amortization of deferred finance costs	958	1,262
Loss on extinguishment of debt	148	—
Change in fair value of derivative liability – convertible notes redemption make-whole provision	(425)	364
Changes in assets and liabilities		
Accounts receivable	(3,311)	(11,261)
Inventories	(2,550)	(9,614)
Prepaid expenses and other assets	1,435	(1,159)
Intercompany payables/receivables	(9,594)	5,580
Accounts payable	2,848	6,770
Accrued expenses	4,689	5,196
Other liabilities	590	(789)
Net cash provided by operating activities	98,444	89,432
Cash flows from investing activities:		
Purchase of property and equipment	(4,782)	(6,669)
Capitalized software expenditures	(729)	—
Net cash used in investing activities	(5,511)	(6,669)
Cash flows from financing activities:		
Payments for taxes related to net settlement of equity awards	(8,432)	(3,126)
Payment of term loan	(10,333)	(18,122)
Deferred finance costs related to debt modification	(1,889)	(256)
Tax distributions	(50,082)	(49,954)
Special distribution	(15,573)	—
Net cash used in financing activities	(86,309)	(71,458)
Net increase in cash and cash equivalents	6,624	11,305
Cash and cash equivalents, beginning of period	38,191	8,263
Cash and cash equivalents, end of period	$ 44,815	$ 19,568
Supplementary disclosure of cash flow information:		
Cash paid for interest expense	$ 16,987	$ 18,296
Supplementary disclosure of non-cash financing activities:		
Derivative asset – interest rate swap	$ (2,483)	$ (596)

The accompanying notes are an integral part of these unaudited consolidated financial statements.

COMPOSECURE HOLDINGS, L.L.C.

Notes to Consolidated Financial Statements (Unaudited)
($ in thousands — except unit data)

1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

CompoSecure Holdings, L.L.C. ("CompoSecure", "Holdings" or the "Company") is a manufacturer and designer of complex proprietary metal and composite financial transaction cards. The Company's operations commenced in 2000. The Company provides products and services primarily to global financial institutions, plastic card manufacturers, system integrators, and security specialists. The Company is located in Somerset, New Jersey. Since its inception, the Company has established itself as a technology partner to market leaders, fintechs and consumers enabling trust for millions of people around the globe. The Company combines elegance, simplicity and security to deliver exceptional experiences and peace of mind in the physical and digital world. The Company's innovative payment card technology and metal cards with Arculus secure authentication and digital asset storage capabilities, deliver unique, premium branded experiences, enable people to access and use their financial and digital assets, and ensure trust at the point of a transaction.

The Company creates newly innovated, highly differentiated and customized quality financial payment products for banks and other payment card issuers to support and increase their customer acquisition, customer retention and organic customer spend. The Company's customers consist primarily of leading international and domestic banks and other payment card issuers primarily within the United States ("U.S."), with additional direct and indirect customers in Europe, Asia, Latin America, Canada, and the Middle East. The Company is a platform for next generation payment technology, security, and authentication solutions. The Company maintains trusted, highly-embedded and long-term customer relationships with an expanding set of global issuers. The Company has established a niche position in the financial payment card market with over 20 years of innovation and experience and is focused primarily on this attractive subsector of the financial technology market. The Company serves a diverse set of direct customers and indirect customers, including some of the largest issuers of credit cards in the U.S.

The Company is a wholly-owned subsidiary of CompoSecure, Inc. ("Parent"), which is operated as an umbrella partnership C corporation ("Up-C") meaning that the sole asset of Parent is its interest in the Company. The Company was a partnership for U.S. federal income tax purposes and was owned by both the historical owners and the Parent. Holdings is now a disregarded entity for U.S. federal income tax purposes as a wholly-owned subsidiary of Parent, but was through September 17, 2024 treated as a partnership for U.S. federal income tax purposes as it was previously owned in part by Parent and in part by other owners (including historical founders and other investors).

In the past, ownership in the Company was represented by Class A units held by Parent and Class B units held by other owners. Each Class A and Class B unit outstanding was also reflected in a corresponding number of shares of Class A and Class B common stock of Parent. In the Resolute Transaction defined below, all Class B units and corresponding shares of Class B common stock were exchanged for shares of Class A common stock and corresponding Class A units. As a result, there were no Class B units or shares of Class B common stock outstanding, and the Company has an aggregate of 82,677,354 Class A units outstanding at September 30, 2024.

On August 7, 2024, all of the Class B stockholders of Parent and affiliates of Resolute Compo Holdings, L.L.C., including Tungsten 2024 LLC ("Resolute") entered into stock purchase agreements, pursuant to which the selling shareholders would exchange their 51,908,422 Class B units (and corresponding shares of Class B common stock) for shares of Parent's Class A common stock, eliminating Parent's existing dual-share class structure. On September 17, 2024, the transactions (the "Resolute Transaction") closed and Resolute became the majority owner of Parent by acquiring 49,290,409 of the outstanding shares of Class A common stock of Parent for an aggregate purchase price of approximately $372.1 million, or $7.55 per share, representing an approximately 60% voting interest. Parent was not party to the stock purchase transactions. Subsequent to the Resolute Transaction, Parent owned 100% of the outstanding Class A units of the Company, and the Class B units were eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements are presented in conformity with U.S. GAAP and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"), certain information and footnote disclosure normally included in annual consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted, these unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2023. Any reference in these notes to applicable guidance is meant to refer to U.S. GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") promulgated by the Financial Accounting Standards Board ("FASB"). The accompanying consolidated financial statements include the results of operations of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. All dollar amounts are in thousands, unless otherwise noted.

Interim Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principals ("US GAAP") for interim financial information and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023. The financial statements presented herein are unaudited; however, in the opinion of management, the financial statements represent all adjustments, consisting solely of normal, recurring adjustments, necessary for the fair presentation of the financial statements for the periods presented. The results disclosed in the Consolidated Statements of Operations for the three and nine month periods ended September 30, 2024 are not necessarily indicative of the results to be expected for the full year.

Use of Estimates

The preparation of the consolidated financial statements requires management to make a number of estimates and assumptions relating to the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. The Company bases its estimates on historical experience, current business factors and various other assumptions believed to be reasonable under the circumstances, all of which are necessary in order to form a basis for determining the carrying values of assets and liabilities. Actual results may differ from those estimates and assumptions. The Company evaluates the adequacy of its reserves and the estimates used in calculations on an on-going basis. Significant areas requiring management to make estimates include the valuation of equity instruments and estimates of derivative liability associated with the Exchangeable Notes (discussed in Note 5), which are marked to market each quarter based on a Lattice model approach, and the derivative asset for the interest rate swap.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606 when the performance obligations under the terms of the Company's contracts with its customers have been satisfied. This occurs at the point in time when control of the specific goods or services as specified by each purchase order are transferred to customers. Specific goods refers to the products offered by the Company, including metal cards, high security documents, and pre-laminated materials. Transfer of control passes to customers upon shipment or upon receipt, depending on the agreement with the specific customers. ASC 606 requires entities to record a contract asset when a performance obligation has been satisfied or partially satisfied, but the amount of consideration has not yet been received because the receipt of the consideration is conditioned on something other than the passage of time. ASC 606 also requires an entity to present a revenue contract as a contract liability in instances when a customer pays consideration, or an entity has a right to an amount of

consideration that is unconditional (e.g. receivable), before the entity transfers a good or service to the customer. The Company did not have any contract assets or liabilities as of September 30, 2024 or December 31, 2023.

The Company invoices its customers at the time at which control is transferred, with payment terms ranging between 15 and 60 days depending on each individual contract. As the payment is due within 60 days of the invoice, a significant financing component is not included within the contracts.

The majority of the Company's contracts with its customers have the same performance obligation of manufacturing and transferring the specified number of cards to the customer. Each individual card included within an order constitutes a separate performance obligation, which is satisfied upon the transfer of goods to the customer. The contract term as defined by ASC 606 is the length of time it takes to deliver the goods or services promised under the purchase order or statement of work. As such, the Company's contracts are generally short-term in nature.

Revenue is measured in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is recognized net of variable consideration such as discounts, rebates, and returns.

The Company's products do not include an unmitigated right of return unless the product is non-conforming or defective. If the goods are non-conforming or defective, the defective goods are replaced or reworked or, in certain instances, a credit is issued for the portion of the order that was non-conforming or defective. A provision for sales returns and allowances is recorded based on experience with goods being returned. Most returned goods are re-worked and subsequently re-shipped to the customer and recognized as revenue. Historically, returns have not been material to the Company.

Additionally, the Company has a rebate program with certain customers allowing for a rebate based on achieving a certain level of shipped sales during the calendar year. This rebate is estimated and updated throughout the year and recorded against revenues and the related accounts receivable.

Segment Information

The Company is managed and operated as one business, as the entire business is managed by a single management team that reports to the Chief Executive Officer and President. The Company's chief operating decision-maker ("CODM") is its Chief Executive Officer and President, who makes resource allocation decisions and assesses performance based on financial information presented on an aggregate basis. The Company does not operate separate lines of business with respect to any of its products and does not review discrete financial information to allocate resources to separate products or by location. Accordingly, the Company views its business as one reportable operating segment.

Characteristics of the organization which were relied upon in making the determination that the Company operates in one reportable segment include the similar nature of all of the products that the Company sells, the functional alignment of the Company's organizational structure, and the reports that are regularly reviewed by the CODM for the purpose of assessing performance and allocating resources.

Software Development Costs

The Company applies the principals of FASB ASC 350-40, *Accounting for the Cost of Computer Software Developed or Obtained for Internal Use* ("ASC 350-40"). ASC 350-40 requires that software development costs incurred before the preliminary project stage be expensed as incurred. The Company capitalizes development costs related to these software applications once the preliminary project stage is complete and it is probable that the project will be completed and the software will be used to perform the functions intended. The Company capitalized $331 for the three months ended September 30, 2024 of software

($ in thousands — except unit data)

development costs. For the nine months ended September 30, 2024, the Company capitalized $729 of software development costs. No software development costs were capitalized during the three and nine months ended September 30, 2023.

Recent Accounting Pronouncements

On November 27, 2023, the FASB issued ASU 2023-07, *Improvements to Reportable Segments Disclosures*, which applies to all public entities that are required to report segment information in accordance with Topic 280, Segment Reporting. The guidance will be applied retrospectively and is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance improves financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analysis. The Company is in the process of evaluating the impact of this ASU on its year end financial reporting as required by the standard.

3. INVENTORIES

The major classes of inventories were as follows:

	September 30, 2024	December 31, 2023
Raw materials	$54,855	$50,867
Work in process	3,227	4,110
Finished goods	358	662
Inventory reserve	(3,350)	(3,099)
	$55,090	$52,540

The Company monitors inventory costs relative to selling prices and performs physical cycle count procedures on inventories throughout the year to determine if a lower cost or net realizable value reserve is necessary. The Company reviews inventory for slow-moving or obsolete amounts based on expected product sales volume and provides reserves against the carrying amount of inventory as appropriate. This reserve may fluctuate as the Company's assumptions change due to new information, discrete events, or changes in the business, such as entering new markets or discontinuing a specific product.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	Useful Life	September 30, 2024	December 31, 2023
Machinery and equipment	5 – 10 years	$ 36,739	$ 30,311
Furniture and fixtures	3 – 5 years	33	33
Computer equipment	3 – 5 years	2	2
Leasehold improvements	Shorter of lease term or estimated useful life	11,533	10,609
Software	1 – 3 years	1,718	1,718
Construction in progress		1,619	4,189
Total		51,644	46,862
Less: Accumulated depreciation and amortization		(28,582)	(21,650)
Property and equipment, net		$ 23,062	$ 25,212

Depreciation and amortization expense on property and equipment was $2,331 and $2,078 for the three months ended September 30, 2024 and 2023, respectively. Depreciation and amortization expense on property and equipment was $6,932 and $6,249 for the nine months ended September 30, 2024 and 2023, respectively.

5. DEBT

Exchangeable Senior Notes

On December 27, 2021, the Company merged with Roman DBDR Tech Acquisition Corp ("Roman DBDR") pursuant to a merger agreement dated April 19, 2021 (the "Merger Agreement"), by and among Roman DBDR, Roman Parent Merger Sub, LLC, a wholly-owned subsidiary of Roman DBDR incorporated in the State of Delaware ("Merger Sub"), and the Company. Pursuant to the terms of the Merger Agreement, a business combination between Roman DBDR and the Company was effected through the merger of Merger Sub with and into the Company, with the Company as the surviving company and as a wholly-owned subsidiary of Roman DBDR, now named CompoSecure, Inc. (the "Business Combination"). On April 19, 2021, concurrent with the execution of the Merger Agreement, Parent and the Company entered into subscription agreements (the "Note Subscription Agreements") with certain investors ("Notes Investors") pursuant to which such Notes Investors, severally and not jointly, purchased on December 27, 2021, the closing date of the Business Combination (the "Closing Date"), senior notes (the "Exchangeable Notes") issued by the Company and guaranteed by its operating subsidiaries in an aggregate principal amount of up to $130,000 that were exchangeable into shares of Class A common stock of Parent at a conversion price of $11.50 per share, subject to adjustment pursuant to the terms and conditions of an indenture (the "Indenture") entered into by Parent and its subsidiary, the Company, and the trustee under the Indenture.

The Exchangeable Notes bear interest at a rate of 7% per year, payable semiannually in arrears on each June 15 and December 15, commencing on June 15, 2022, to holders of record at the close of business on the preceding June 1 and December 1 (whether or not such day is a Business Day), respectively. The Exchangeable Notes mature on December 27, 2026. Parent will settle any exchange of the Exchangeable Notes in shares of Class A common stock, with cash payable in lieu of any fractional shares. In connection with the issuance of the Exchangeable Notes, Parent entered into a Registration Rights Agreement, pursuant to which the Notes Investors received certain registration rights with respect to the Class A common stock.

After the three-year anniversary of the Closing Date, which will occur on December 27, 2024, the Exchangeable Notes will be redeemable at any time and from time to time by Parent, in whole or in part, (i) if the Last Reported Sale Price of the Class A common stock exceeds 130% of the exchange price as defined in the Indenture then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which Parent provides notice of redemption and (ii) so long as a registration statement registering the resale of all Exchange Shares is effective and available for use by holders of Exchangeable Notes during the entirety of the period from and including the date notice of redemption is given to and including the date of redemption. The notice period for any redemption will be no less than 30 scheduled trading days. The redemption price in any such redemption shall be equal to (a) 100% of the principal amount of the Exchangeable Notes to be redeemed, plus (b) accrued and unpaid interest to, but excluding, the redemption date. The redemption price is payable in cash.

Per the terms of the Indenture, holders of Exchangeable Notes in connection with any such redemption will receive a make-whole payment equal to the aggregate dollar value of all interest payable from the date Parent delivers notice of such redemption through the maturity of the Exchangeable Notes. The redemption Make-Whole Amount is payable, at Parent's option, in cash or through an increase in the exchange rate then applicable to the Exchangeable Notes by an amount equal to (i) the redemption Make-Whole Amount divided by (ii) the five day Volume Weighed Average Price ("VWAP") with regard to the Class A common stock during the five trading period beginning on the trading day immediately following the notice of redemption.

Holders of Exchangeable Notes may exchange their notes in whole or in part, at any time or from time to time, for shares of Parent's Class A common stock, par value $0.0001 per share up, to a maximum exchange rate of 99.9999 shares per $1,000 principal amount after adjustments as defined in the Indenture.

The Exchangeable Notes contain customary anti-dilution adjustments, taking into account the agreed terms in the Indenture. To avoid doubt, among other customary adjustments, this includes anti-dilution protections for dividends and distributions of Parent's capital stock, assets and indebtedness. Per the terms of the Indenture, the following are the anti-dilution adjustments of the exchange rate:

a. If Parent exclusively issues shares of common stock as a dividend or distribution on shares of the common stock, or if Parent effects a share split or share combination;

b. If Parent issues to all or substantially all holders of the common stock any rights, options or warrants (other than pursuant to a stockholders' rights plan) entitling them, for a period of not more than 45 calendar days after the announcement date of such issuance, to subscribe for or purchase shares of the common stock at a price per share that is less than the average of the last reported sale prices of the common stock for the 10 consecutive trading day period ending on, and including, the trading day immediately preceding the date of announcement of such issuance;

c. If Parent distributes shares of its capital stock, evidences of its indebtedness, other assets or property of Parent or rights, options or warrants to acquire its capital stock or other securities of Parent, to all or substantially all holders of the common stock;

d. If any cash dividend or distribution is made to all or substantially all holders of the common stock;

e. If Parent or any of its subsidiaries make a payment in respect of a tender or exchange offer for the common stock, to the extent that the cash and value of any other consideration included in the payment per share of the common stock exceeds the average of the last reported sale prices of the common stock over the 10 consecutive trading day period commencing on, and including, the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer.

The exchange rate will in no event be adjusted down pursuant to the provisions described above, except to the extent a tender or exchange offer is announced but not consummated.

If Parent undergoes a "fundamental change" (as defined in the Indenture), subject to certain conditions, the exchange rate will be adjusted per the adjustment table included in the Indenture. If a fundamental change occurs at any time prior to the maturity date, each holder shall have the right, at such holder's option, to require Parent to repurchase for cash all of such holder's Exchangeable Notes at a repurchase price equal to 100% of the principal amount of the Exchangeable Notes to be repurchased, plus accrued and unpaid interest thereon. There is no make-whole payment associated with a fundamental change redemption.

Holders of Exchangeable Notes will be entitled to the resale registration rights under the resale Registration Rights Agreement. If a Registration default occurs, additional interest will accrue, equal to 0.25% in the first 90 days and 0.50% after the 91st day after the Registration Default (which includes that the Registration Statement has not been filed, or deemed effective or ceases to be effective).

The Indenture contains customary terms and covenants and events of default. Upon an event of default as defined in the Indenture, the trustee or the holders of at least 25% in aggregate principal amount of the Exchangeable Notes may declare 100% of the principal of, and accrued and unpaid interest on, all the Exchangeable Notes to be due and payable immediately, and upon any such declaration, the same shall become and shall automatically be immediately due and payable. Upon an event of default in the payment of interest, Parent may elect the sole remedy to be the payment of additional interest of 0.25% for the first

90 days after the occurrence of such an event of default and 0.50% for days 91-180 after the occurrence of such an event of default.

On June 11, 2024, Parent paid a special cash dividend to its Class A shareholders, and the Company made a corresponding distribution to its Class B unitholders. As a result of the special cash dividend and distribution, the conversion price of the Exchangeable Notes was adjusted to $10.98 per share, which resulted in an adjustment to the exchange rate to 91.0972 shares of Parent's Class A common stock per $1,000 principal amount of Exchangeable Notes exchanged. On September 17, 2024, the Resolute Transaction closed, in which a majority interest of Parent was acquired through privately negotiated sales. The sale of the majority interest and subsequent filing of a Schedule 13D report with the SEC by Resolute on September 19, 2024 triggered the occurrence of a "Make-Whole Fundamental Change" (as defined in the Indenture), pursuant to which the Company, on September 20, 2024, issued a Notice of Make-Whole Fundamental Change to the holders of the Exchangeable Notes to notify the holders that the exchange rate for the Exchangeable Notes had been temporarily increased from 91.0972 shares of Class A common stock per $1,000 principal amount of Exchangeable Notes to 104.5199 shares of Class A common stock per $1,000 principal amount of notes. This temporary increase in the exchange rate resulted in an adjustment of the conversion price to $9.57 per share from September 19, 2024 to November 29, 2024. Following that date, the conversion price will revert back to $10.98 per share and the exchange rate will revert back to 91.0972 shares of Parent's Class A common stock per $1,000 principal amount of Exchangeable Notes. A notice was sent to all holders of Exchangeable Notes on October 9, 2024 providing details of these choices.

The Company assessed all of the terms and features of the Exchangeable Notes in order to identify any potential embedded features that would require bifurcation. As part of this analysis, the Company assessed the economic characteristics and risks of the Exchangeable Notes, including the conversion, put and call features. In consideration of these provisions, the Company determined that the optional redemption with a make-whole provision feature required bifurcation as it is a derivative. The fair value of this derivative was determined based on the difference between the fair value of the Exchangeable Notes with the redemption with a make-whole provision feature and the fair value of the Exchangeable Notes without the redemption with a make-whole provision feature. The Company employed a Lattice model to determine the fair value of the derivative. Upon issuance of the Exchangeable Notes, the fair value of the derivative was $552 and was recognized as a derivative liability with an offsetting amount recorded as a debt discount reducing the carrying value of the Exchangeable Notes on the Closing Date, or December 27, 2021. The optional redemption with a make-whole provision feature is measured at fair value on a quarterly basis and the change in the fair value for the period is recorded on the consolidated statements of operations. The Company performed a valuation of the derivative liability and determined that the fair value of the derivative liability was $0 at September 30, 2024 and $425 at December 31, 2023. The Company recorded a favorable change in fair value of $544 and $149 for the three months ended September 30, 2024 and September 30, 2023, respectively. The Company recorded a favorable change in fair value of $425 for the nine months ended September 30, 2024 and an unfavorable change in fair value of $364 for the nine months ended September 30, 2023.

The expected term of the Exchangeable Notes was equal to the period through December 27, 2026 as this represents the point at which the Exchangeable Notes will mature unless earlier exchanged in accordance with their terms prior to such date. For three months ended September 30, 2024 and September 30, 2023, the Company recognized $2,425 and $2,416 of interest expense, respectively, related to the Exchangeable Notes at the effective interest rate of 7.4%. For the nine months ended September 30, 2024 and September 30, 2023, the Company recognized $7,219 and $7,167 of interest expense, respectively, related to the Exchangeable Notes at the effective interest rate of 7.4%. The fair value of the Company's Exchangeable Notes without the make-whole feature, was approximately $190,000 and $118,000, as of September 30, 2024 and December 31, 2023 respectively.

In connection with the issuance of the Exchangeable Notes, the Company incurred approximately $2,600 of debt issuance costs, which primarily consisted of underwriting fees, and allocated these costs to

the liability component and recorded as a reduction in the carrying amount of the debt liability on the balance sheet. The portion allocated to the Exchangeable Notes is amortized to interest expense over the expected term of the Exchangeable Notes using the effective interest method.

Credit Facility

On July 26, 2016, the Company, together with Parent and its operating subsidiary, entered into a $120,000 credit facility (the "2016 Credit Facility") with J.P. Morgan Chase ("JPMC") as the lending agent that provided the Company with a revolving credit facility with a maximum borrowing capacity of $40,000 (the "2016 Revolver") and a term loan of $80,000 (the "2016 Term Loan") that was scheduled to mature in July 2021. The 2016 Credit Facility was subsequently amended in July 2019, November 2020 and December 2021 (the "2021 Credit Facility") to increase the borrowing capacity of the 2016 Revolver and the 2016 Term Loan and to extend the maturity date of the 2016 Credit Facility. The 2021 Credit Facility increased the overall borrowing capacity of the credit facility to $310,000 comprised of a revolving credit facility with a maximum borrowing capacity of $60,000 (the "2021 Revolver") and a term loan of $250,000 (the "2021 Term Loan"). The 2021 Credit Facility was set to mature on December 16, 2025. The 2021 Credit Facility was also amended in February 2023, May 2023 and March 2024 to (i) transition the 2021 Credit Facility from bearing interest based on LIBOR to SOFR, (ii) to remove certain lenders who no longer wanted to participate in the 2021 Credit Facility, and (iii) to allow Parent to repurchase outstanding shares of its common stock, common stock warrants and Exchangeable Notes in an aggregate amount not to exceed $40,000. The 2021 Credit Facility was accounted for as a modification and approximately $1,800 of additional costs incurred in connection with the modification were capitalized as debt issuance costs.

On August 7, 2024, the Company, together with Parent and its operating subsidiary, entered into a Fourth Amended and Restated Credit Agreement with JPMC (the "2024 Credit Facility" and collectively with the 2021 Credit Facility, the "Credit Facilities") and the lenders party thereto to refinance the 2021 Credit Facility. The 2024 Credit Facility amended and restated the 2021 Credit Facility in its entirety. In conjunction with the 2024 Credit Facility, the maximum borrowing capacity of the overall credit facility was increased to $330,000 comprised of a term loan of $200,000 (the "2024 Term Loan") and a revolving credit facility of $130,000 (the "2024 Revolver"). Two lenders who participated in the 2021 Credit Facility did not participate in the 2024 Credit Facility and transferred their debt to other lenders. The 2024 Credit Facility is set to mature on August 7, 2029. The 2024 Credit Facility was accounted for as an extinguishment for the two lenders who transferred their debt and as a modification for all other remaining lenders. As a result, the Company wrote-off approximately $148 in unamortized debt issuance costs related to the lenders who did not participate in the 2024 Credit Facility which is included in Loss on Extinguishment of Debt in Other Expense in the accompanying consolidated statements of operations.

In conjunction with the 2024 Credit Facility, the Company incurred approximately $686 in lender fees and $147 in other third-party fees related to the 2024 Revolver and approximately $1,056 in lender fees and $225 in other third-party fees related to the 2024 Term Loan. The $1,056 of lender fees related to the 2024 Term Loan have been capitalized and these fees, along with $832 of unamortized debt issuance costs related to the 2021 Credit Facility, will be amortized into interest expense through the maturity date of the 2024 Term Loan using the effective interest method. Similarly, $686 of lender fees and $147 of other third-party fees related to the 2024 Revolver have been capitalized as an other long-term asset and will be amortized into interest expense through the maturity date of the 2024 Revolver using the straight-line method. The $225 other third-party fees related to the 2024 Term Loan were expensed as incurred.

The 2024 Credit Facility requires the Company to make quarterly principal payments until maturity, at which point a balloon principal payment is due for the outstanding principal. The Credit Facilities also require the Company to make monthly interest payments as well as pay a quarterly unused commitment fee of 0.35% for any unused portion of the revolving credit facilities. The 2024 Credit Facility provide for the Company to prepay the term loans without penalty or premium. The Credit Facilities are secured by substantially all of the assets of the Company.

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Interest on the revolving credit facilities and the term loans are based on the outstanding principal amount during the interest period multiplied by the quoted SOFR rate plus the which can range from 1.75% to 2.75% based on the Company's leverage ratio. As of September 30, 2024, the effective interest rate on the 2024 Revolver and 2024 Term Loan was 7.30% per year. As of September 30, 2023, the effective interest rate on the 2021 Revolver and 2021 Term Loan was 7.99% per year.

The Company recognized $4,257 and $4,997 of interest expense related to the Revolver and the Term Loan for the quarter ended September 30, 2024 and September 30, 2023, respectively. The Company recognized $13,077 and $14,870 of interest expense related to the Revolver and the Term Loan for the nine months ended September 30, 2024 and September 30, 2023, respectively.

The Credit Facilities contain certain financial covenants including a minimum interest coverage ratio, a maximum total debt to EBITDA ratio and a minimum fixed charge coverage ratio. As of September 30, 2024 and December 31, 2023, the Company was in compliance with all financial covenants. The fair value of the Company's credit facilities approximate the carrying value for all periods presented.

As of September 30, 2024 and December 31, 2023, there were no balances outstanding on the Revolver. As of September 30, 2024, there was $130,000 available for borrowing under the 2024 Revolver.

The balances payable under all borrowing facilities are as follows:

	September 30, 2024			December 31, 2023		
	Term Loan	Exchangeable Notes	Total debt	Term Loan	Exchangeable Notes	Total debt
Loan Balance	$199,980	$130,000	$329,980	$210,313	$130,000	$340,313
Less: current portion of term loan (scheduled payments)	(10,000)	—	(10,000)	(10,313)	—	(10,313)
Less: net deferred financing costs	(1,831)	(1,780)	(3,611)	(1,669)	(2,168)	(3,837)
Total Long Term debt	$188,149	$128,220	$316,369	$198,331	$127,832	$326,163
Derivative liability – redemption with make-whole provision		$ —			$ 425	

The maturity of all the borrowings facilities is as follows:

Remainder of 2024	$ 2,480
2025	11,250
2026	145,000
2027	16,250
2028	20,000
2029	135,000
Total	$329,980

In order to hedge the Company's exposure to variable interest rate fluctuations related to the $310,000 of borrowings under its 2021 Credit Facility, the Company entered into two interest rate swap agreements with Bank of America on January 11, 2022, the first of which had an effective date of January 5, 2022 (the "January 2022 Swap"), and the second of which had an effective date of December 5, 2023 (the "December 2023 Swap" and, collectively with the January 2022 Swap, the "Interest Rate Swap Agreements"). The January 2022 Swap expired on December 5, 2023 while the December 2023 Swap is set to expire on December 2025. Both the January 2022 Swap and the December 2023 Swap are settled at the end of the month between the parties. The December 2023 Swap has a notional amount of $125,000 and was designated as a cash flow hedge for accounting purposes.

($ in thousands — except unit data)

The Company determined the fair value of the Interest Rate Swap Agreements to be zero at the inception of the agreements and $2,775 and $5,258 at September 30, 2024 and December 31, 2023 respectively. The Company reflects the realized gains and losses of the actual monthly settlement activity of the Interest Rate Swap Agreements through interest income or expense in its consolidated statements of operations. The Company reflects the unrealized changes in fair value of the Interest Rate Swap Agreements at each reporting period in other comprehensive income. A derivative asset or liability is recognized at each reporting period in the Company's consolidated balance sheets for the Interest Rate Swap Agreements. Interest related to the Interest Rate Swap Agreements converted from LIBOR to SOFR at the same time as the amendment of 2021 Credit Facility in February 2023.

6. EQUITY STRUCTURE

Prior to the Resolute Transaction (see Note 1), ownership in the Company was represented by Class A units held by Parent and Class B units held by other owners. Pursuant to an exchange agreement between the Company and Parent, each of the Company's Class B units had the same economic rights as each of the Company's Class A units, the number of the Company's Class A units outstanding equals the number of shares of Parent's Class A common stock outstanding, and one of the Company's Class B units was exchangeable for one share of Parent's Class A common stock and the surrender of one share of Parent's Class B common stock for cancellation. Upon the issuance by Parent of any shares of Class A common stock, other than pursuant to an exchange, the proceeds are contributed to the Company in exchange for the issuance of an equal number of Class A units. If the Company issued a Class B unit, Parent would issue a share of its Class B common stock to the recipient of the Company's Class B unit.

As of September 30, 2024, Parent had authorized a total of 250,000,000 shares for issuance designated as Class A common stock, 75,000,000 designated as Class B common stock and 10,000,000 shares designated as preferred stock. As of September 30, 2024, there were 82,677,354 shares of Parent's Class A common stock issued and outstanding, no shares of Parent's Class B common stock issued and outstanding and no shares of Parent's Preferred Stock issued and outstanding. As of December 31, 2023, there were 19,415,123 shares of Parent's Class A common stock issued and outstanding, 59,958,422 shares of Parent's Class B common stock issued and outstanding and no shares of Parent's Preferred Stock issued and outstanding.

For each Class A and Class B share of common stock outstanding at Parent, a corresponding unit outstanding was also reflected at Holdings.

7. STOCK-BASED COMPENSATION

The following table summarizes Parent's equity plan, which provides compensation to employees of the Company and its subsidiaries, equity-based compensation expense included in Selling, general and administrative expenses within the consolidated statements of operations:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Stock option expense	$ —	$ 33	$ 3	$ 269
Restricted stock unit expense	4,538	3,616	12,655	10,194
Performance stock unit expense	817	698	1,843	1,796
Employee stock purchase plan	33	31	97	107
Total stock-based compensation expense	$5,388	$4,378	$14,598	$12,366

The following table sets forth the options activity under the Parent's equity plan for the nine month period ended September 30, 2024:

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Stock Option Activity

	Number of Shares	Weighted Average Exercise Price Per Shares	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding at January 1, 2024	3,278,463	$1.88	2.9	$11,780
Granted	—	—		
Exercised	(2,493,194)	$1.03	1.7	$19,241
Outstanding at September 30, 2024	785,269	$4.62	4.5	$ 7,379
Vested and expected to vest at September 30, 2024	785,269	$4.62	4.5	$ 7,379
Exercisable at September 30, 2024	785,269	$4.62	4.5	$ 7,379

Restricted Stock Unit Activity

	Number of Shares
Outstanding at January 1, 2024	5,309,593
Granted	1,982,414
Dividend Equivalent Units on Deferred RSU's	—
Vested	(2,072,460)
Forfeited	(51,850)
Nonvested at September 30, 2024	5,167,697

Performance and Market based Stock Unit Activity

	Number of Shares
Outstanding at January 1, 2024	1,107,536
Granted	872,685
Vested	—
Nonvested at September 30, 2024	1,980,221

Unrecognized compensation cost for restricted stock awards and performance and market based stock units as of September 30, 2024 totaled $32,465, and is expected to be recognized over a weighted average period of approximately 1.8 years. No unrecognized compensation expense remained for the incentive units as of September 30, 2024.

8. RETIREMENT PLANS

Defined Contribution Plan

The Company's subsidiary maintains a 401(k) profit sharing plan available to all full-time employees who have attained the age of 21 and completed 90 days of service. The Company matches 100% of the first 1% and then 50% of the next 5% of employee contributions. Retirement plan expense for the three months ended September 30, 2024 and 2023 was approximately $431 and $405, respectively. Retirement plan expense for the nine months ended September 30, 2024 and 2023 was approximately $1,483 and $1,326, respectively.

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9. FAIR VALUE MEASUREMENTS

In accordance with ASC 820-10, the Company evaluates assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level at which to classify them for each reporting period. This determination requires significant judgments to be made by the Company.

The Company's financial assets and liabilities measured at fair value on a recurring basis, consisted of the following types of instruments as of the following dates:

	Level 1	Level 2	Level 3	Total
September 30, 2024				
Assets Carried at Fair Value:				
Derivative asset – interest rate swap	$ —	$2,775	$ —	$2,775
Liabilities Carried at Fair Value:				
Derivative liability – redemption with make-whole provision	$ —	$ —	$ —	$ —
December 31, 2023				
Assets Carried at Fair Value:				
Derivative asset – interest rate swap	$ —	$5,258	$ —	$5,258
Liabilities Carried at Fair Value:				
Derivative liability – redemption with make-whole provision	$ —	$ —	$425	$ 425

Additional information is provided below about assets and liabilities remeasured at fair value on a recurring basis and for which the Company utilizes Level 3 inputs to determine fair value.

Derivative asset — interest rate swap

The Company is exposed to interest rate risk on variable interest rate debt obligations. To manage interest rate risk, the Company entered into an interest rate swap agreement on January 5, 2022. See Note 5.

10. GEOGRAPHIC INFORMATION AND CONCENTRATIONS

The Company's headquarters and substantially all of its operations, including its long-lived assets, are located in the U.S.. Geographical sales information based on the location of the customer was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net sales by region:				
Domestic	$ 80,033	$84,277	258,007	235,933
International	27,102	12,609	61,705	54,796
Total	$107,135	$96,886	$319,712	$290,729

The Company's principal direct customers as of September 30, 2024 consist primarily of leading international and domestic banks and other payment card issuers primarily within the U.S., with additional direct and indirect customers in Europe, Asia, Latin America, Canada, and the Middle East. The Company periodically assesses the financial strength of these customers and establishes allowances for anticipated losses, if necessary.

Two customers individually accounted for more than 10% of the Company's revenue, or 58.5% combined, of total revenue for the three months ended September 30, 2024. Three customers individually accounted for more than 10% of the Company's revenue, or 84.6%, combined, of total revenue for the

($ in thousands — except unit data)

three months ended September 30, 2023. Two customers individually accounted for more than 10% of the Company's revenue or 66.1% combined, of total revenue for the nine months ended September 30, 2024. Three customers individually accounted for more than 10% of the Company's revenue or 79.1%, combined, of total revenue for the nine months ended September 30, 2023. Four customers individually accounted for more than 10% of the Company's accounts receivable or approximately 70% and two customers individually accounted for more than 10% or approximately 73% of total accounts receivable as of September 30, 2024 and December 31, 2023, respectively.

One individual vendor accounted for more than 10% of purchases of supplies, or approximately 10% of total purchases, for the nine months ended September 30, 2024. One individual vendor accounted for more than 10% of purchases of supplies, or approximately 15% of total purchases, for the nine months ended September 30, 2023.

11. COMMITMENTS AND CONTINGENCIES

Operating Leases

Future minimum commitments under all non-cancelable operating leases are as follows:

2024	$ 615
2025	2,502
2026	2,240
2027	912
2028	846
Later years	359
Total undiscounted lease payments	7,474
Less: Imputed interest	(914)
Present value of lease liabilities	$6,560

Litigation

The Company may be, from time to time, party to various disputes and claims arising from normal business activities. The Company accrues for amounts related to legal matters if it is probable that a liability has been incurred and the amount is reasonably estimable. Litigation costs are expensed as incurred.

12. RELATED PARTY TRANSACTIONS

Pursuant to the Company's Second Amended and Restated LLC Agreement, the Company made pro rata tax distributions to the unitholders of the Company in an amount sufficient to fund all or part of their tax obligations with respect to the allocable taxable income of the Company. For the three months ended September 30, 2024, the Company distributed a total of $13,699 of tax distributions to its members, of which $5,003 was paid to Parent, resulting in a net tax distribution to all other members of $8,696. For the nine months ended September 30, 2024, the Company distributed a total of $50,082 of tax distributions to its members, of which $15,219 was paid to Parent, resulting in a net tax distribution to all other members of $34,863.

On June 11, 2024, the Company disbursed a special dividend to the Company's Class B unitholders of $15,573.

Activity between Parent and the Company was primarily due to historical deal related transactions. Balances due from Parent are not expected to be repaid within the next 12 months.

In connection with the Resolute transaction, on September 17, 2024, the Parent and Resolute entered into the Governance Agreement, pursuant to which the Company and Resolute and certain of its affiliates (collectively, the "Stockholder") shall take all reasonable actions within their respective control to (i) fix and maintain the number of directors that will constitute the whole Board at eleven (11) directors, (ii) maintain on the Board at all times no less than six (6) directors who each qualify as an "independent director" under the Exchange Act and the Nasdaq listing rules (collectively, the "Independent Directors"), as such individuals may be designated by the Nominating Committee of the Board (the "Nominating Committee"), (iii) maintain on the Board at all times the then serving Chief Executive Officer of the Company (the "Executive Director"), (iv) maintain at all times a Nominating Committee that is comprised of a majority of Independent Directors, (v) maintain on the Board, for so long as the Stockholder owns or holds (whether beneficially, of record or otherwise) at least 35% of the outstanding shares of common stock, no less than six (6) designees of the Stockholder (collectively, the "Stockholder Directors"), of whom two (2) shall qualify as Independent Directors and be subject to approval of the Nominating Committee, which approval shall not be unreasonably withheld (collectively, the "Stockholder-Designated Independent Directors"), and (vi) cause to be elected or appointed to the Board each such designated Independent Director (including the Stockholder-Designated Independent Directors, as applicable), each other Stockholder Director (as applicable) and the Executive Director. In addition, the Governance Agreement provides for a twelve (12) month lock-up period, during which time the Stockholder and its affiliates may not, subject to the terms of the Governance Agreement, sell, dispose of or otherwise Transfer (as defined in the Governance Agreement) any Voting Shares (as defined in the Governance Agreement), except for certain Permitted Transfers (as defined in the Governance Agreement). Additionally, the Governance Agreement provides for a twelve (12) month standstill period, during which time the Stockholder and its affiliates, subsidiaries, or associates may not, amongst other matters and subject to the terms of the Governance Agreement, acquire, offer or propose to acquire, or participate in a "group" (within the meaning of Section 13(d)(3) of the Exchange Act) to acquire additional securities of the Company if such acquisition or participation in a group would result in the Stockholder and its controlled affiliates owning securities of the Company representing more than that percentage of the total issued and outstanding shares of Class A common stock owned by the Stockholder as of the effective date of the Governance Agreement. The Governance Agreement further prohibits, for a period of twenty-four (24) months following the effective date of the Governance Agreement and subject to the terms contained therein, (i) the Company and the Stockholder from entering into any Rule 13e-3 Transaction (as defined in the Governance Agreement), and (ii) the Stockholder or its affiliates from effecting any short-form merger with the Company pursuant to Section 253 of the General Corporation Law of the State of Delaware. The Governance Agreement also provides that, unless and until the Governance Agreement is terminated, none of the Company, the Board or the Stockholder will authorize, approve or ratify a voluntary delisting of the shares of Class A common stock from the Nasdaq stock exchange or voluntary deregistration of shares of Class A common stock under the Exchange Act, in either case, without the prior approval of a majority of the Independent Directors. The foregoing summary of the Governance Agreement is not complete and is qualified in its entirety by reference to the full text of such document, attached as Exhibit 10.4, to Parent's 2024 third quarter Form 10-Q.

13. SUBSEQUENT EVENT

Effective September 19, 2024, Resolute's acquisition of a majority of Parent's common stock caused a Fundamental Change, as defined in the Indenture pursuant to which $130 million of 7% Exchangeable Notes discussed in Note 5 were subject. This Fundamental Change provides holders of the Exchangeable Notes a choice to: (1) exchange the Exchangeable Notes for shares of Parent's Class A common stock at a temporarily increased exchange rate of 104.5199 shares per $1,000 principal amount of Exchangeable Notes until November 27, 2024 (with the exchange rate then reverting to the existing 91.0972 shares per $1,000 principal amount of Notes); (2) have Parent repurchase for cash of all of such holder's Exchangeable Notes on November 29, 2024 at a repurchase price equal to 100% of the principal amount of the Exchangeable Notes to be repurchased plus accrued and unpaid interest; or (3) continue to hold the Exchangeable Notes. Through November 27, 2024, an aggregate of $130 million of the Exchangeable Notes have been surrendered,

representing the entire balance of our convertible notes outstanding. The Exchangeable Notes were exchanged for an aggregate of 13,587,565 million newly-issued shares of Parent's Class A common stock. Corresponding Class A units were issued by Holdings.

The Parent entered into a business combination which occurred on December 27, 2021. Pursuant to the merger agreement certain parties have the right to receive additional consideration (the "earn-out consideration") upon achievement of specified stock price thresholds for the Parent's Class A common stock on or prior to the third and fourth anniversaries of the completion of the business combination. On December 17, 2024, the Parent issued an aggregate of 3.6 million shares of its Class A common stock in connection with the achievement of a $15.00 volume-weighted average price per share over the required time period on or prior to the third anniversary of the completion of the business combination. Corresponding Class A units were issued by Holdings.

On Holdings entered into a management agreement which in which Resolute Management, Inc will provide management and other related services to Holdings in exchange for payment of quarterly management fees based on 2.5% of trailing twelve-month adjusted EBITDA calculated in accordance with the management agreement.