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TRINET GROUP INC

FORM S-1
(Securities Registration Statement)

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Address	1100 SAN LEANDRO BLVD., STE. 300 SAN LEANDRO, CA 94577
Telephone	5103525000
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As filed with the Securities and Exchange Commission on November 20, 2013

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TRINET GROUP, INC.
(Exact name of Registrant as specified in its charter)

Delaware	7389	95-3359658
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1100 San Leandro Blvd., Suite 400
San Leandro, CA 94577
(510) 352-5000
(Address, including zip code and telephone number, including area code, of Registrant's principal executive offices)

Burton M. Goldfield
Chief Executive Officer
TriNet Group, Inc.
1100 San Leandro Blvd., Suite 400
San Leandro, CA 94577
(510) 352-5000
(Name, address, including zip code and telephone number, including area code, of agent for service)

Copies to:

Jodie M. Bourdet Craig D. Jacoby Andrew S. Williamson Cooley LLP 101 California Street, 5th Floor San Francisco, California 94111 (415) 693-2000	Gregory L. Hammond Chief Legal Officer TriNet Group, Inc. 1100 San Leandro Blvd., Suite 400 San Leandro, CA 94577 (510) 352-5000	Gordon K. Davidson Daniel J. Winnike Fenwick & West LLP 801 California Street Mountain View, CA 94041 (650) 988-8500

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

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☑ (Do not check if a smaller reporting company)	Smaller reporting company	☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, $0.00005 par value per share	$250,000,000	$32,200

(1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes offering price of any additional shares that the underwriters have the option to purchase.

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

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated November 20, 2013.

Prospectus

Shares

Common Stock

This is an initial public offering of shares of common stock of TriNet Group, Inc.

We are offering shares of our common stock. The selling stockholders identified in this prospectus are offering an additional shares. We will not receive any of the proceeds from the sale of the shares being sold by the selling stockholders.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share will be between $ and $. We intend to list our common stock on the under the symbol " ."

	Per Share	Total
Initial public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to TriNet	$	$
Proceeds, before expenses, to the selling stockholders	$	$

have granted the underwriters an option to purchase up to an additional shares at the initial public offering price, less the underwriting discount.

See " Risk Factors " beginning on page 14 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares against payment in New York, New York on , 2013.

J.P. Morgan **Morgan Stanley** **Deutsche Bank Securities**

Jefferies **Stifel** **William Blair**

Prospectus dated , 2013

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

Through and including , 2013 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Persons who come into possession of this prospectus and any applicable free writing prospectus we have prepared in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions in this offering and the distribution of this prospectus and any such free writing prospectus applicable to that jurisdiction.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should read the entire prospectus carefully, including the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus. Unless the context suggests otherwise, references in this prospectus to "TriNet," the "Company," "we," "us" and "our" refer to TriNet Group, Inc. and, where appropriate, its subsidiaries.

Company Overview

TriNet is a leading provider of a comprehensive human resources solution for small to medium-sized businesses, or SMBs. We enhance business productivity by enabling our clients to outsource their human resources, or HR, function to one strategic partner and allowing them to focus on operating and growing their core businesses. Our HR solution includes services such as payroll processing, human capital consulting, employment law compliance and employee benefits, including health insurance, retirement plans and workers compensation insurance. Our services are delivered by our expert team of HR professionals and enabled by our proprietary, cloud-based technology platform, which allows our clients and their employees to efficiently conduct their HR transactions anytime and anywhere. As of September 30, 2013, we served over 8,000 clients in 47 states, the District of Columbia and Canada and co-employed approximately 218,000 of our clients' employees, which we refer to as worksite employees, or WSEs. In 2012, we processed over $10 billion in payroll and insurance premiums for our clients.

HR is a mission-critical function for businesses. Businesses of all sizes face increasing levels of complexity in managing HR processes, including regulatory pressures and escalating healthcare costs. These challenges are especially acute for SMBs, which typically lack the scale and capability to solve many of these issues on their own. In 2010, there were approximately 5.7 million employers with 500 or fewer employees. These SMBs employed approximately 55 million people in the United States, or 49% of all U.S. employees, and represented over 99% of all U.S. employers in 2010. We estimate that in 2013, SMBs will spend approximately $90 billion on in-house HR resources, payroll processing and other HR services. We believe that this in-house approach is more challenging for SMBs to manage, and is less effective and more costly as compared to our comprehensive, outsourced solution. Therefore, we believe that this presents a significant opportunity for us to continue to penetrate and expand our presence in the SMB market.

We offer our clients a bundled solution that enables them to outsource their HR function to a single provider. We believe that the combination of our HR professionals, full suite of services, vertical market orientation, broad geographic reach and powerful technology platform enables us to solve the HR challenges of our SMB clients. Our solution helps reduce the complexity, cost and risk of managing the HR function for our SMB clients while helping SMBs better retain their employees. In addition, our tailored approach allows us to serve a diverse range of industries with varying levels of HR requirements. For our clients' employees, we provide access to high-caliber, big-company benefits, timely payroll processing and anytime and anywhere system access. We are also able to leverage our strong and diverse partner relationships to provide a broad and rich suite of services and benefits for our clients and their employees. We believe that this provides us with a highly referenceable customer base that allows us to further penetrate our target vertical markets.

Our proprietary, cloud-based technology platform and our team of HR professionals make HR transactions simple, seamless and efficient for employers and employees. Our platform is designed to function as the core system of record for all of our clients' HR activities and allows our clients to enjoy 24/7, ubiquitous access. Our platform is also highly scalable, allowing us to efficiently add new clients and grow with our existing clients.

We sell our services primarily through our direct sales force, which we align around target vertical markets, including technology, life sciences, property management, professional services, banking and financial services,

retail, manufacturing and hospitality services. We believe that our vertical market expertise and tailored service offerings differentiate us in the market and allow us to compete more effectively.

Our total revenues consist of professional service revenues and insurance service revenues. For 2012 and the nine months ended September 30, 2013, 15% and 17% of our total revenues, respectively, consisted of professional service revenues, and 85% and 83% of our total revenues, respectively, consisted of insurance service revenues. We earn professional service revenues by processing HR transactions, such as payroll and employment tax withholding, and providing labor and benefit law compliance services, on behalf of our clients. We earn insurance service revenues by providing risk-based, third-party plans to our clients, primarily employee health benefit plans and workers compensation insurance.

For professional service revenues, we recognize as revenues the fees we earn for processing HR transactions, which fees do not include the payroll that is paid to us by the client and paid out to WSEs or remitted as taxes. We recognize as insurance service revenues all insurance-related billings and administrative fees collected from clients and withheld from WSEs for risk-based insurance plans provided through third-party insurance carriers, primarily employee health insurance and workers compensation insurance. We in turn pay premiums to third-party insurance carriers for these insurance benefits, as well as reimburse them for claim payments within our insurance deductible layer. These premiums and reimbursements are classified as insurance costs on our statements of operations. To augment our financial information prepared in accordance with U.S. generally accepted accounting principles, or GAAP, we use internally a non-GAAP financial measure, Net Insurance Service Revenues, which consists of insurance service revenues less insurance costs. We also use a measure of total non-GAAP revenue, or Net Service Revenues, which is the sum of professional service revenues and Net Insurance Service Revenues. For 2012 and the nine months ended September 30, 2013, 55% and 66% of our Net Service Revenues, respectively, consisted of professional service revenues and 45% and 34% of our Net Service Revenues, respectively, consisted of Net Insurance Service Revenues.

We have grown our business organically and through strategic acquisitions. For 2010, 2011 and 2012, our total revenues were $906.2 million, $840.4 million and $1.0 billion, respectively, our Net Service Revenues were $192.5 million, $189.3 million and $269.0 million, respectively, and our net income (loss) was $(9.6 million), $15.5 million and $31.8 million, respectively. For the nine months ended September 30, 2012 and 2013, our total revenues were $696.9 million and $1.2 billion, respectively, our Net Service Revenues were $178.5 million and $296.0 million, respectively, and our net income was $23.0 million and $7.1 million, respectively. For 2010, 2011 and 2012, our Adjusted EBITDA was $29.8 million, $47.3 million and $95.4 million, respectively. For the nine months ended September 30, 2012 and 2013, our Adjusted EBITDA was $61.5 million and $92.3 million, respectively.

Our Market Opportunity

We serve the HR needs of SMBs in the U.S. The growing complexity of managing HR processes today presents a significant challenge for SMBs. Traditionally, SMBs have managed HR processes in-house through a range of separately delivered services rather than seeking a holistic and comprehensive solution, which we believe has further aggravated many of these challenges. We believe that a bundled HR solution better addresses these needs and allows SMBs to focus in-house resources on business operations instead of managing HR activities. As a result, we believe that this represents a significant opportunity for TriNet's solution.

Large and Underpenetrated Market. SMBs employ a large percentage of the total employee base in the U.S. today. According to the U.S. Census Bureau, in 2010, approximately 55 million employees were employed by organizations with fewer than 500 employees, representing approximately 49% of U.S. employees. These SMBs comprised approximately 5.7 million business organizations, representing over 99% of U.S. employers. Though smaller, these companies have HR needs similar to their larger counterparts, including payroll, employee benefits and many other HR services for employees, and spend significant amounts on managing these processes. We estimate that in 2013 SMBs will spend approximately $90 billion in providing HR services, and that most of

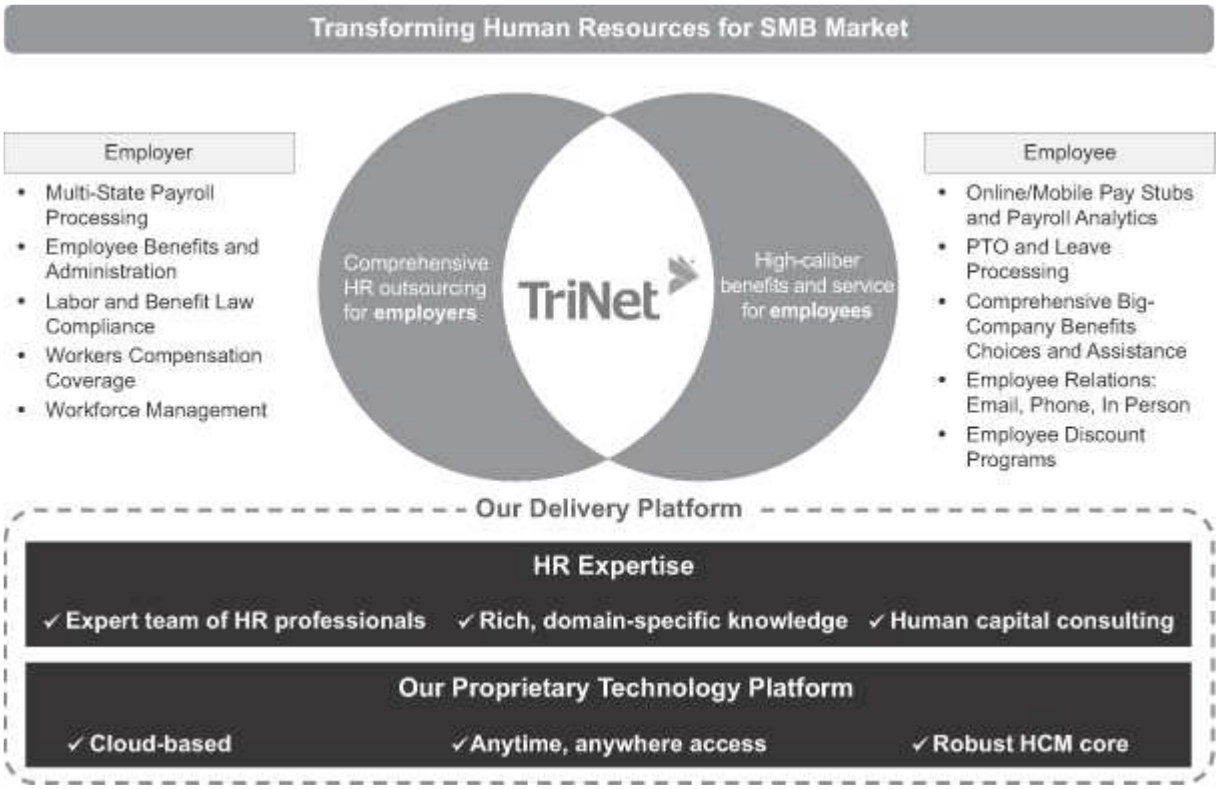
this spending will be on in-house resources. Based on data published by the National Association of Professional Employer Organizations, we estimate that in 2012 fewer than 5% of U.S. employees of businesses with fewer than 500 employees were part of a co-employment arrangement, in which all or some portion of the employer's HR function was outsourced to a single third-party provider such as TriNet. We believe that our growth opportunity is primarily a function of our ability to increase our penetration of the SMB market.

HR Management Increasing in Complexity . The HR function is becoming increasingly complex. The scope of responsibilities and demands on HR departments continues to expand beyond the management of payroll and benefits as firms compete to attract, retain and motivate employees. In addition, external pressures continue to mount as firms must deal with the increased complexity of the laws and regulations that govern the provision and administration of HR services, including effectively managing multiple and disparate state and federal laws and regulations. As a recent example, the Patient Protection and Affordable Care Act, enacted in March 2010, imposes a staggered schedule of sweeping health care reforms, which began in 2010 and will continue through 2018, and which will put increased burdens on many employers.

Challenges Are Especially Acute for SMBs. SMBs typically confront an array of challenges as they seek to address increasingly complex HR requirements. These organizations frequently lack the dedicated and specialized personnel and systems that are necessary to provide complex HR solutions. According to The Bureau of National Affairs, Inc., in 2013, 39% of the smallest (fewer than 250 workers) organizations surveyed do not have an HR specialist on staff. Conversely, 90% of the largest (more than 2,500 workers) organizations surveyed have at least one employee devoted to just one or two areas of HR. Additionally, a large portion of HR-related spending by SMBs has traditionally been on a range of disparate products and services, where companies utilize a combination of third-party service and technology providers and in-house resources to administer the HR function. We believe that this approach of utilizing a combination of various third-party providers further complicates the delivery of HR services, dilutes the benefit that HR processes can have on an organization, and is typically more costly than a bundled solution. Lastly, SMBs typically cannot afford to invest in a comprehensive technology platform to manage their HR processes and often lack the scale required to negotiate favorable employee health benefit and workers compensation plan terms with insurance companies and other large employee benefits providers. As a result, we believe that SMBs will increasingly look to a bundled solution to help solve these issues.

Our Solution

We offer our clients a bundled solution that enables them to outsource their HR function to one strategic partner, so they can focus on operating and growing their core businesses. Our bundled solution, which includes services such as payroll processing, human capital consulting, employment law compliance and employee benefits, including health insurance, retirement plans and workers compensation insurance, holistically addresses the HR needs of both our clients and their employees. For each of our clients, we offer timely payroll processing and access to a team of HR professionals with specific knowledge of its industry to help reduce the complexity, cost and risk of managing the HR function, while helping them better retain their workforce. For employees, we provide access to high-caliber, big-company benefits and other services such as expert HR guidance and anytime, anywhere access to comprehensive HR information and services. We leverage our strong and diverse partner relationships to provide a broad and rich suite of services for our clients and their employees.



We serve a number of large vertical markets. Businesses in these vertical markets have HR requirements that vary across two primary dimensions: (1) the complexity of HR needs and (2) the importance of employee benefits and a high touch service experience. We believe that our ability to address our target vertical markets across these dimensions is a clear competitive differentiator.

Our vertical market expertise allows us to tailor our services for our target industries, which helps to further embed us within our clients and helps us to deliver meaningful business impact. Our solution is delivered by a team of HR professionals with expertise in our clients' industries, enabled by our proprietary, cloud-based technology platform, which simplifies the day-to-day HR transactions of our clients and their employees. Our platform provides SMBs with the knowledge and features of large-business support and technology, as well as anywhere and any-device access to their HR systems. Our platform is also highly scalable, allowing our clients to efficiently add new employees and us to grow with our existing clients. Its seamless integration with partner systems allows single-sign-on functionality that enhances the employee and employer experience.

Our Competitive Advantages

We believe that we have the following key competitive advantages:

Comprehensive Suite of HR Capabilities. We are the strategic HR partner to our clients. Our innovative bundled solution, developed over our 25-year operating history, allows our clients to outsource their HR function to a single provider in an effective and cost-efficient manner. As the provider of a bundled solution, we deliver our services in a coordinated and comprehensive manner, which provides significant value to our clients by reducing the complexity of managing the HR function. The services that we provide are delivered through a combination of HR professionals and our proprietary, cloud-based technology platform. Each TriNet client is guided by a team of HR professionals with expertise in both complex and day-to-day HR questions and challenges, ensuring a high level of customer service and attention throughout the client's organization. In

addition to our HR services such as payroll processing and human capital consulting, we also offer our clients and their employees access to a broad range of big-company employee benefits plans, and our risk management tools allow us to significantly mitigate employer risk, such as compliance, legal and related risks, including workers compensation and employee practices liability insurance.

Deep Vertical Market Expertise. We focus on serving clients in specific industry vertical markets. We have developed deep expertise around the HR functions within our target industries, which enables us to provide our clients with a solution tailored to the industries in which they operate. Our direct sales force and go-to-market strategy is aligned with these vertical markets, which enhances our client value proposition and allows us to leverage our strong institutional knowledge to further expand our presence within these target industries. We believe that this verticalized approach allows us to target clients across a range of industries in which SMBs have varying levels of need for services based on the complexity of their HR environment and required employee experience.

Proprietary, Cloud-Based Technology Platform. Our proprietary, cloud-based technology platform enables our clients and their employees to conduct their HR transactions anytime and anywhere. Our platform offers online self-service tools for managing employee payroll, creating compensation reports, managing employee hiring and termination and managing health benefits. As a result of our long-standing partnerships and the significant investments that we have made in our platform, our technology and benefits services partners are able to integrate their systems with our platform, allowing employees to access a unified view of all of their pertinent HR information. In addition, our platform allows clients to leverage information about their workforce in real time to keep tactical HR demands under control. Our platform is also highly scalable, which allows our clients to efficiently add new employees.

Scale. We are able to leverage our national presence and large WSE base to provide a comprehensive and cost-effective solution to our clients. SMBs typically lack the scale required to negotiate favorable employee health benefit plan prices and other features with insurance companies and other large employee benefits providers. Leveraging the economies of scale arising from serving approximately 218,000 WSEs, we are able to make significant investments in our technology platform and are typically able to secure a broader range of benefits plans at rates and with features that are more competitive than those that an SMB would be able to procure on its own. In addition, our scale has allowed us to specialize our workforce by industry vertical markets and deliver more relevant services to our clients.

Strong Strategic Partnerships. We have developed strong relationships with our insurance and risk management partners, as well as other vendors and suppliers, which we believe enable us to provide a broader array of services to our clients and their employees more cost-effectively than if they attempted to purchase these offerings themselves. We have long-standing relationships with large health benefits insurers, such as Aetna, Blue Shield of California, Blue Cross and Blue Shield of Florida, Kaiser Permanente, MetLife and United Healthcare, as well as retirement plan providers, such as Transamerica Retirement Services and MassMutual. We believe that we are a valuable partner for our insurance and other service vendors, as we provide them with an attractive channel to the hard-to-reach SMB market through our large scale presence across the U.S. and Canada, and across a wide range of industry vertical markets.

Our Growth Strategies

Our goal is to become the leading HR solutions provider to SMBs. Our strategies to achieve that goal include the following:

- ***Continue to Penetrate the SMB Market Using Our Vertical Market Approach .*** Our focus on serving clients in specific industry vertical markets has given us deep, substantive knowledge of the HR needs facing SMBs in those industries. This enables us to provide a bundled solution of services to each client that is tailored to its specific needs and better enables us to attract sales professionals with industry expertise. We intend to continue this focus on industry vertical markets. We also regularly assess

additional and new industry vertical markets and intend to add them, either through acquisition or internal development, selectively based on what we believe the market opportunity is.

- ***Expand Our Direct Sales Force.*** We believe that the SMB market remains significantly underpenetrated for a bundled HR solution such as ours. We intend to continue to invest in our direct sales force to enable us to identify and acquire new clients across our target vertical markets, in addition to expanding our sales force to target new vertical markets.
- ***Grow With Our Clients by Enhancing the Breadth and Quality of Our Services.*** We intend to continue to expand the breadth and quality of our HR solution. We believe that this will allow us to continue to enhance the value proposition for our clients and to grow with them by providing additional high-quality service offerings.
- ***Continue to Enhance Our Technology Platform.*** We intend to continue to invest in and improve our proprietary, cloud-based technology platform, including mobile applications, in order to provide our clients with enhanced features and functionality with which to conduct their HR transactions, manage employees and analyze employee benefits data. This may include acquiring or developing additional functionality or technology.
- ***Continue to Grow Through Strategic Acquisitions.*** We have successfully completed numerous strategic acquisitions over the course of the past decade, which has allowed us to enhance and expand our presence in both existing and new target industries as well as expand our solution and technology platform. We intend to continue to pursue strategic acquisitions that will enable us to leverage our existing assets and offer our clients more comprehensive and attractive services.

Risks Associated with Our Business

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled “Risk Factors” immediately following this prospectus summary. Some of these risks are:

- our success depends on growth in market acceptance of the HR outsourcing and related services we provide;
- if we are unable to rapidly grow our sales force, we will not be able to grow our business at the rate that we anticipate, which could harm our business, results of operations and financial condition;
- we are subject to client attrition;
- our acquisition strategy creates risks for our business;
- unexpected changes in workers compensation and health insurance claims by worksite employees could harm our business;
- our quarterly results of operations may fluctuate as a result of numerous factors, many of which are outside of our control;
- our business is subject to numerous state and federal laws, and uncertainty as to the application of these laws, or adverse applications of these laws, as well as changes in applicable laws, could adversely affect our business;
- if we are not recognized as an employer of worksite employees under federal and state regulations, we and our clients could be adversely impacted;
- we and our clients could be adversely impacted by health care reform;
- we may have additional tax liabilities, which could harm our business, operating results, financial condition and prospects;

- our business and operations have experienced rapid growth in recent periods, and if we are unable to effectively manage this growth, our business and results of operations may suffer;
- we may not be able to sustain our revenue growth rate or profitability in the future;
- our industry is highly competitive, which may limit our ability to maintain or increase our market share or improve our results of operations;
- adverse changes in our relationships with key vendors could impair the quality of our solution;
- we depend on licenses to third-party software in order to provide our services; and
- we have a substantial amount of indebtedness, which could adversely affect our financial condition and our operating flexibility.

Corporate Information

We were incorporated in 1988 as TriNet Employer Group, Inc., a California corporation. We reincorporated as TriNet Group, Inc., a Delaware corporation, in 2000. Our principal executive offices are located at 1100 San Leandro Blvd., Suite 400, San Leandro, CA 94577 and our telephone number is (510) 352-5000. Our website address is www.trinet.com. Information contained on or accessible through our website is not a part of this prospectus and should not be relied upon in determining whether to make an investment decision.

TriNet, TriNet Group, SOI, Ambrose, Accord and ExpenseCloud and their associated logos and other trade names, trademarks or service marks of TriNet appearing in this prospectus are the property of TriNet. Trade names, trademarks and service marks of other companies appearing in this prospectus are the property of their respective holders.

THE OFFERING

Common stock offered by TriNet	shares
Common stock offered by the selling stockholders	shares
Common stock to be outstanding after this offering	shares
Option to purchase additional shares of common stock offered by	shares
Use of proceeds	We estimate that our net proceeds from this offering will be approximately $ million, based on an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds to us from this offering to repay approximately $200 million of indebtedness outstanding under our credit facilities and for working capital and other general corporate purposes. We may also use a portion of the net proceeds from this offering for acquisitions of, or investments in, technologies, assets or businesses that complement our business, although we have no present commitments or agreements to enter into such acquisitions or investments. We will not receive any of the proceeds from the sale of shares to be offered by the selling stockholders. See "Use of Proceeds" for additional information.
Risk factors	See "Risk Factors" beginning on page 14 and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Proposed symbol	

The number of shares of common stock to be outstanding after this offering is based on 26,449,910 shares of our common stock (including preferred stock on an as-converted basis) outstanding as of September 30, 2013, and excludes:

- 3,343,372 shares of common stock issuable upon the exercise of outstanding stock options as of September 30, 2013 pursuant to our 2000 Equity Incentive Plan, or our 2000 Plan, and our 2009 Equity Incentive Plan, or our 2009 Plan, at a weighted average exercise price of $2.85 per share;
- 3,266 shares of common stock issuable upon the settlement of restricted stock units as of September 30, 2013 pursuant to our 2009 Plan;
- shares of common stock issuable upon the exercise of outstanding stock options issued after September 30, 2013 pursuant to our 2009 Plan at a weighted average exercise price of $;
- shares of common stock to be reserved for future issuance under our 2009 Plan, as amended in connection with this offering, as well as any automatic increases in the number of shares of common stock reserved for future issuance under this benefit plan; and
- shares of common stock to be reserved for issuance under our 2013 Employee Stock Purchase Plan, or our ESPP, to be effective in connection with this offering, as well as any automatic increases in the number of shares of common stock reserved for future issuance under this benefit plan.

In addition, unless we specifically state otherwise, all information in this prospectus assumes:

- that the two-for-one split of our common stock that occurred in July 2013 occurred as of the first date presented in this prospectus;
- the conversion of all outstanding shares of our preferred stock into an aggregate of 19,032,854 shares of common stock immediately prior to the completion of this offering;
- no exercise of options outstanding;
- no exercise of the underwriters' option to purchase up to an additional shares of common stock from ; and
- the filing of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the completion of this offering.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables summarize our consolidated financial and other data. You should read this summary consolidated financial and other data together with the sections titled “Selected Consolidated Financial and Other Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as our consolidated financial statements and related notes included elsewhere in this prospectus.

We have derived the consolidated statement of operations data for the years ended December 31, 2010, 2011 and 2012 from our audited consolidated financial statements that are included elsewhere in this prospectus. We have derived the unaudited consolidated statement of operations data for the nine months ended September 30, 2012 and 2013 and the unaudited consolidated balance sheet data as of September 30, 2013 from our unaudited consolidated financial statements that are included elsewhere in this prospectus. Our unaudited consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of management, reflect all adjustments, which consist only of normal recurring adjustments, necessary for the fair statement of those unaudited consolidated financial statements. Our historical results are not necessarily indicative of the results that should be expected in the future, and our interim results are not necessarily indicative of the results that should be expected for the full year or any other period.

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
	(in thousands, except share and per share data)				
Consolidated Statement of Operations Data:					
Professional service revenues	$ 139,495	$ 113,279	$ 148,233	$ 94,892	$ 195,642
Insurance service revenues	766,695	727,111	870,828	601,967	959,246
Total revenues	906,190	840,390	1,019,061	696,859	1,154,888
Costs and operating expenses:					
Insurance costs	713,653	651,094	750,025	518,386	858,862
Cost of providing services (exclusive of depreciation and amortization of intangible assets) (1)	72,073	59,388	63,563	44,944	74,042
Sales and marketing (1)	46,454	38,087	59,931	39,377	79,387
General and administrative (1)	28,366	31,421	37,879	24,147	39,821
Systems development and programming costs (1)	15,045	15,646	16,718	11,893	15,140
Amortization of intangible assets	17,960	12,388	17,441	7,853	35,926
Depreciation	12,042	9,201	11,676	9,100	8,908
Restructuring	5,922	2,358	—	—	—
Total costs and operating expenses	911,515	819,583	957,233	655,700	1,112,086
Operating income (loss)	(5,325)	20,807	61,828	41,159	42,802
Other income (expense):					
Interest expense	(4,444)	(751)	(9,709)	(2,835)	(32,091)
Other, net	67	127	57	22	309
Income (loss) before provision for (benefit from) income taxes	(9,702)	20,183	52,176	38,346	11,020
Provision for (benefit from) income taxes	(100)	4,646	20,344	15,386	3,880
Net income (loss)	$ (9,602)	$ 15,537	$ 31,832	$ 22,960	$ 7,140
Net income (loss) per share attributable to common stock:					
Basic	$ (2.58)	$ 0.68	$ 1.33	$ 0.97	$ 0.29
Diluted	$ (2.58)	$ 0.65	$ 1.26	$ 0.92	$ 0.27
Weighted average common stock outstanding:					
Basic	3,727,195	3,921,341	4,902,692	4,728,686	5,750,789
Diluted	3,727,195	5,051,990	6,238,046	6,002,628	7,598,197
Pro forma net income per share:					
Basic			$ 1.33		$ 0.29
Diluted			$ 1.26		$ 0.27
Pro forma weighted average shares of common stock outstanding:					
Basic			23,935,546		24,783,643
Diluted			25,270,900		26,631,051

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
Key Operating Metrics and Other Financial Data:					
Total WSEs [2]	96,816	83,314	174,311	104,747	218,069
Total Sales Representatives [3]	114	80	224	149	301
Net Insurance Service Revenues (in thousands) [4]	$ 53,042	$ 76,017	$120,803	$ 83,581	$100,384
Net Service Revenues (in thousands) [5]	$192,537	$189,296	$269,036	$178,473	$296,026
Adjusted EBITDA (in thousands) [6]	$ 29,797	$ 47,348	$ 95,362	$ 61,530	$ 92,305
Adjusted Net Income (in thousands) [7]	$ 13,174	$ 28,788	$ 45,133	$ 29,695	$ 33,242

(1) Includes stock-based compensation expense as follows:

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
			(in thousands)		
Cost of providing services (exclusive of depreciation and amortization of intangible assets)	$ 467	$ 438	$ 516	$ 382	$ 770
Sales and marketing	670	637	500	364	882
General and administrative	3,385	3,590	3,144	2,505	2,371
Systems development and programming costs	531	160	200	145	337
Total stock-based compensation expense	$5,053	$4,825	$4,360	$ 3,396	$ 4,360

(2) We define Total WSEs at the end of a given fiscal period as the total number of WSEs paid in the last calendar month of the fiscal period. For more information about Total WSEs, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Operating Metrics.”

(3) We define Total Sales Representatives at the end of a given fiscal period as the total number of our direct sales force employees at that date. For more information about Total Sales Representatives, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Operating Metrics.”

(4) Net Insurance Service Revenues is a non-GAAP financial measure that we calculate as insurance service revenues less insurance costs. For more information about Net Insurance Service Revenues and a reconciliation of Net Insurance Service Revenues to insurance service revenues, the most directly comparable financial measure calculated and presented in accordance with GAAP, see “Selected Consolidated Financial and Other Data—Non-GAAP Financial Results.”

(5) Net Service Revenues is a non-GAAP financial measure that we calculate as the sum of professional service revenues and Net Insurance Service Revenues. For more information about Net Service Revenues and a reconciliation of Net Service Revenues to total revenues, the most directly comparable financial measure calculated and presented in accordance with GAAP, see “Selected Consolidated Financial and Other Data—Non-GAAP Financial Results.”

(6) Adjusted EBITDA is a non-GAAP financial measure that we calculate as net income (loss) excluding the effects of our income tax provision (benefit), interest expense, depreciation, amortization of intangible assets, and stock-based compensation expense. For more information about Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP, see “Selected Consolidated Financial and Other Data—Non-GAAP Financial Results.”

(7) Adjusted Net Income is a non-GAAP financial measure that we calculate as net income (loss), excluding the effects of stock-based compensation, amortization of intangible assets and the income tax effect of these pre-tax adjustments at our effective tax rate. For more information about Adjusted Net Income and a reconciliation of Adjusted Net Income to net income (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP, see “Selected Consolidated Financial and Other Data—Non-GAAP Financial Results.”

	As of September 30, 2013		
	Actual	Pro Forma [1]	Pro Forma As Adjusted [2][3]
		(in thousands)	
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 112,161	$ 112,161	
Working capital	$ 85,541	$ 85,541	
Total assets	$1,215,597	$1,215,597	
Notes payable and borrowings under capital leases	$ 820,610	$ 820,610	
Total liabilities	$1,448,163	$1,448,163	
Convertible preferred stock	$ 122,878	—	
Total stockholders' equity (deficit)	$ (355,444)	$ (232,566)	

(1) The pro forma column reflects the conversion of all outstanding shares of our preferred stock into 19,032,854 shares of our common stock immediately prior to the completion of this offering.

(2) The pro forma as adjusted column reflects the (i) conversion of all outstanding shares of our preferred stock into 19,032,854 shares of our common stock immediately prior to the closing of this offering, (ii) sale by us of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and (iii) the application of $200 million of the net proceeds of this offering to repay amounts outstanding under our credit facilities.

(3) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the amount of cash and cash equivalents, working capital, total assets and total stockholders' equity by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of our common stock offered by us would increase (decrease) the amount of cash and cash equivalents, working capital, total assets and total stockholders' equity by approximately $ million, assuming that the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual initial public offering price and the other terms of this offering determined at pricing.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risks and all of the other information contained in this prospectus, including our consolidated financial statements and related notes, before investing in our common stock. While we believe that the risks and uncertainties described below are the material risks currently facing us, additional risks that we do not yet know of or that we currently think are immaterial may also arise and materially affect our business. If any of the following risks materialize, our business, financial condition and results of operations could be materially and adversely affected. In that case, the trading price of our common stock could decline, and you may lose some or all of your investment.

Risks Related to Our Business and Industry

Our success depends on growth in market acceptance of the human resources outsourcing and related services we provide.

Our success depends on the willingness of SMBs to outsource their HR function to a third-party service provider. Based on data published by the National Association of Professional Employer Organizations, we estimate that in 2012 fewer than 5% of U.S. employees of businesses with fewer than 500 employees were part of a co-employment arrangement, in which all or some portion of the employer's HR function was outsourced to a single third-party provider such as TriNet. We believe that our growth opportunity is primarily a function of our ability to penetrate the SMB market. Many companies have invested substantial personnel, infrastructure and financial resources in their own internal HR organizations and therefore may be reluctant to switch to our solution. Companies may not engage us for other reasons, including a desire to maintain control over all aspects of their HR activities, a belief that they manage their HR activities more effectively using their internal administrative organizations, perceptions about the expenses associated with our services, perceptions about whether our services comply with laws and regulations applicable to them or their businesses, or other considerations that may not always be evident. Additional concerns or considerations may also emerge in the future. We must address our potential clients' concerns and explain the benefits of our approach in order to convince them to change the way that they manage their HR activities, particularly in parts of the United States where our company and solution are less well-known. If we are not successful in addressing potential clients' concerns and convincing companies that our solution can fulfill their HR needs, then the market for our solution may not develop as we anticipate and our business may not grow.

If we are unable to rapidly grow our sales force, we will not be able to grow our business at the rate that we anticipate, which could harm our business, results of operations and financial condition.

In order to raise awareness of the benefits of our services and identify and acquire new clients, we must rapidly grow our direct sales force, which consists of regional sales representatives who focus on serving clients in specific industry vertical markets. Competition for skilled sales personnel is intense, and we cannot assure you that we will be successful in attracting, training and retaining qualified sales personnel, or that our newly hired sales personnel will function effectively, either individually or as a group. In addition, our newly hired sales personnel are typically not productive for up to a year following their hiring. This results in increased near-term costs to us relative to the sales contributions of these newly hired sales personnel. If we are unable to rapidly grow and effectively train our sales force, our revenues likely will not increase at the rate that we anticipate, which could harm our business, results of operations and financial condition.

We are subject to client attrition.

We regularly experience significant client attrition due to a variety of factors, including increases in administrative fees and insurance costs, disruption caused by the transition of WSEs we have gained through acquisition to our technology platform, client business failure, competition and clients determining to bring HR administration in-house. Our standard client service agreement can be cancelled by us or by the client without penalty with 30 days' prior written notice. Clients who intend to cease doing business with us often elect to do so effective as of the beginning of a calendar year. As a result, in the first quarter of each year we experience our

largest concentration of client attrition. In addition, we experience higher levels of client attrition in connection with renewals of the health insurance we provide for WSEs in the event that such renewals result in increased premiums that we pass on to our clients. If we were to experience client attrition in excess of our planned annual attrition rate of approximately 20% of our installed WSE base, as we did in 2010 and 2011, it could harm our business, results of operations and financial condition.

Our acquisition strategy creates risks for our business.

We have completed numerous acquisitions of other businesses, and we expect that we will continue to grow through acquisitions of other businesses, assets or technologies. We may fail to identify attractive acquisition candidates or we may be unable to reach acceptable terms for future acquisitions. If we are unable to complete acquisitions in the future, our ability to grow our business will be impaired.

We may pay for acquisitions by issuing additional shares of our common stock, which would dilute our stockholders, or by issuing debt, which could include terms that restrict our ability to operate our business or pursue other opportunities and subject us to meaningful debt service obligations. We may also use significant amounts of cash to complete acquisitions. To the extent that we complete acquisitions in the future, we likely will incur future depreciation and amortization expenses associated with the acquired assets. We may also record significant amounts of intangible assets, including goodwill, which could become impaired in the future. Acquisitions involve numerous other risks, including:

- difficulties integrating the operations, technologies, services and personnel of the acquired companies, including the migration of WSEs from an acquired company's technology platform to ours;
- challenges maintaining our internal standards, controls, procedures and policies;
- diversion of management's attention from other business concerns;
- over-valuation by us of acquired companies;
- litigation resulting from activities of the acquired company, including claims from terminated employees, customers, former stockholders and other third parties;
- insufficient revenues to offset increased expenses associated with the acquisitions and unanticipated liabilities of the acquired companies;
- insufficient indemnification or security from the selling parties for legal liabilities that we may assume in connection with our acquisitions;
- entering markets in which we have no prior experience and may not succeed;
- risks associated with foreign acquisitions, such as communication and integration problems resulting from geographic dispersion and language and cultural differences, compliance with foreign laws and regulations and general economic or political conditions in other countries or regions;
- potential loss of key employees of the acquired companies; and
- impairment of relationships with clients and employees of the acquired companies or our clients and employees as a result of the integration of acquired operations and new management personnel.

If we fail to integrate newly acquired businesses effectively, we might not achieve the growth, service enhancement or operational efficiency objectives of the acquisitions, and our business, results of operations and financial condition could be harmed.

Unexpected changes in workers compensation and health insurance claims by worksite employees could harm our business.

Our insurance costs are impacted significantly by our WSEs' health and workers compensation insurance claims experience. We establish reserves to provide for the estimated costs of reimbursing our workers

compensation and health insurance carriers for paying claims within the deductible layer in accordance with their insurance policies. Estimating these reserves involves our consideration of a number of factors and requires significant judgment. If there is an unexpected increase in the severity or frequency of claims, such as due to our WSEs generating additional claims activity, or if we subsequently receive updated information indicating insurance claims were higher than previously estimated and reported, our insurance costs could be higher in that period or subsequent periods as we adjust our reserves accordingly. In addition, we may be unable to increase our pricing to offset increases in insurance costs on a timely basis. A number of factors affect claim activity levels, such as changes in general economic conditions, proposed and enacted regulatory changes and disease outbreaks.

Our quarterly results of operations may fluctuate as a result of numerous factors, many of which are outside of our control.

Our quarterly results of operations are likely to fluctuate, and our results in some quarters may be below the expectations of research analysts and our investors, which could cause the price of our common stock to decline. Some of our significant expenses, such as insurance costs for our WSEs, rent expense and debt expense, may require significant lead time to reduce. If we do not achieve our expected revenues targets, we may be unable to adjust our costs quickly enough to offset any revenues shortfall, which could harm our results of operations. Some of the important factors that may cause our revenues, results of operations and cash flows to fluctuate from quarter to quarter include:

- the number of our new clients initiating service and the number of WSEs employed by each new client;
- our loss of existing clients;
- reduction in the number of WSEs at existing clients;
- the number and severity of health and workers compensation insurance claims by WSEs and updates to claims information provided by our insurance carriers;
- the timing of client payments and payment defaults by clients;
- the amount and timing of our operating expenses and capital expenditures;
- costs associated with our acquisitions of companies, assets and technologies;
- expenses we incur for geographic and service expansion;
- our regulatory compliance costs;
- changes to our credit ratings by rating agencies;
- changes in our effective tax rate;
- extraordinary expenses such as litigation or other dispute-related settlement payments; and
- the impact of new accounting pronouncements.

Many of the above factors are discussed in more detail elsewhere in this “Risk Factors” section and in the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business.” Many of these factors are outside our control, and the variability and unpredictability of these factors could cause us to fail to meet our expectations for revenues or results of operations for a given period. In addition, the occurrence of one or more of these factors might cause our results of operations to vary widely, which could lead to negative impacts on our margins, short-term liquidity or ability to retain or attract key personnel, and could cause other unanticipated issues. Accordingly, we believe that quarter-to-quarter comparisons of our revenues, results of operations and cash flows may not be meaningful and should not be relied upon as an indication of our future performance.

Our business is subject to numerous state and federal laws, and uncertainty as to the application of these laws, or adverse applications of these laws, as well as changes in applicable laws, could adversely affect our business.

Our operations are governed by numerous federal, state and local laws relating to labor, tax, benefits, insurance and employment matters. We are a professional employer organization, and by entering into a co-employer relationship with WSEs, we assume certain obligations, responsibilities and potential legal risks of an employer under these laws. However, many of these laws (such as the Employee Retirement Income Security Act, or ERISA, and federal and state employment tax laws) do not specifically address the obligations and responsibilities of a provider of outsourced HR in a co-employer relationship, and the definition of employer under these laws is not uniform. In addition, many states have not addressed the co-employer relationship for purposes of compliance with applicable state laws governing the relationship between employers and employees and state insurance laws. There is even greater uncertainty on the federal level, such as the application of immigration reform to a co-employer relationship, and tax credits for small businesses that utilize a co-employer relationship.

We are not able to predict whether broader federal or state regulation governing the co-employer relationship will be implemented, or if it is, how it will affect us. Any adverse application or interpretation (in courts, agencies or otherwise) of new or existing federal or state laws to the co-employer relationship with our WSEs and clients could harm our business. If federal, state or local jurisdictions were to change their regulatory framework related to outsourced HR, or introduce new laws governing our industry that were materially different from existing laws, those changes could reduce or eliminate the need for some of our services, or could require that we make significant changes in our methods of doing business, which could increase our cost of doing business. Changes in regulations could also affect the extent and type of benefits employers can or must provide employees, the amount and type of taxes employers and employees are required to pay or the time within which employers must remit taxes to the applicable authority. These changes could substantially decrease our revenues and substantially increase our cost of doing business. If we fail to educate and assist our clients regarding new or revised legislation that impacts them, our reputation could be harmed.

Although some states do not explicitly regulate professional employer organizations, 42 states have passed laws that have licensing, certification or registration requirements applicable to professional employer organizations or recognize the professional employer organization model, and other states may implement such requirements in the future. Laws regulating professional employer organizations vary from state to state, but generally provide for oversight of the fiscal responsibility of professional employer organizations, and in some cases codify and clarify the co-employment relationship for processing unemployment claims, workers compensation and other purposes under state law. We may be required to spend significant time and resources to satisfy licensing requirements or other applicable regulations in some states, and we may not be able to satisfy these requirements or regulations in all states, which could prohibit us from doing business in such states. In addition, we cannot assure you that we will be able to renew our licenses in all states.

If we are not recognized as an employer of worksite employees under federal and state regulations, we and our clients could be adversely impacted.

In order for WSEs to receive the full benefit of our benefits offerings, it is important that we act and qualify as an employer of the WSEs under the Internal Revenue Code of 1986, or the Code, and ERISA. In addition, our status as an employer is important for purposes of ERISA preemption of state laws. The definition of employer under various laws is not uniform, and under both the Code and ERISA the term is defined in part by complex multi-factor tests under common law. We believe that we qualify as an employer of our WSEs in the United States under both the Code and ERISA, and we implement processes to protect and preserve this status. However, the U.S. Department of Labor has issued guidance that certain entities in the HR outsourcing industry do not qualify as common law employers of WSEs for ERISA purposes. If we were found not to be an employer under the Code, our WSEs may not receive the favorable tax treatment for any plans intended to qualify under Section 401 of the Code, including our 401(k) plans and cafeteria plans, which could have a material adverse effect on our business. If we were found not to be an employer for ERISA purposes, our plans would not comply with ERISA, and fines and penalties could be imposed. In addition, if we were found not to be an employer for

ERISA purposes, we and our plans would not enjoy the full preemption of state laws provided by ERISA and could be subject to varying state laws and regulations, including laws governing multiple employer welfare arrangements, or MEWAs, as well as to claims based upon state laws.

We and our clients could be adversely impacted by health care reform.

The Patient Protection and Affordable Care Act and the Heath Care and Education Reconciliation Act of 2010, which we refer to collectively as the Act, entail sweeping health care reforms with staggered effective dates from 2010 through 2018, and many provisions of the Act require the issuance of additional guidance from the U.S. Departments of Labor and Health and Human Services, the Internal Revenue Service, and U.S. states. Beginning in 2014, a number of key provisions of the Act take effect, including the establishment of state insurance exchanges, insurance market reforms, "pay or play" penalties on large employers and the imposition of excise taxes on the health insurance industry and reinsurance taxes on insurers and third-party administrators. Collectively, these items have the potential to significantly change the insurance marketplace for employers and how employers provide insurance to employees.

As a co-employer of our clients' WSEs, we assume or share many of the employer-related responsibilities and legal risks and assist our clients in complying with many employment-related governmental regulations. Generally, the Act and subsequently issued guidance by the Internal Revenue Service and the U.S. Department of Health and Human Services have not addressed, or in some instances are unclear, as to their application in the co-employment relationship. For example, the Act provides for a small business tax credit for eligible companies offering health care coverage to employees. We believe that these tax credits are available to our clients that meet the qualification requirements; however, the Act and subsequently issued Internal Revenue Service guidance do not expressly address the issue of whether small business clients of a professional employer organization may still qualify as small business eligible for such tax credits. As a result of this uncertainty, we are not yet able to determine the impacts to our business, and to our clients, resulting from the Act. In future periods, the changes may result in increased costs to us and our clients and could affect our ability to attract and retain clients. Additionally, we may be limited or delayed in our ability to increase service fees to offset any associated potential increased costs resulting from compliance with the Act. Furthermore, the uncertainty surrounding the terms and application of the Act may delay or inhibit the decisions of potential clients to outsource their HR needs. Any of these developments could harm our business, results of operations and financial condition.

We may have additional tax liabilities, which could harm our business, operating results, financial condition and prospects.

Significant judgments and estimates are required in determining our provision for income taxes and other tax liabilities. Our provision for income taxes, results of operations and cash flows may be impacted if any of our tax positions are challenged and successfully disputed by the tax authorities. In determining the adequacy of our tax provision, we assess the likelihood of adverse outcomes that could result if our tax positions were challenged by the Internal Revenue Service, or IRS, and other tax authorities. The tax authorities in the United States regularly examine our income and other tax returns. For example, in connection with an IRS examination of prior federal income tax returns filed by Gevity, a company we acquired in 2009, we recently received a technical advice memorandum from the IRS taking the position that approximately $10.1 million of tax credits taken by Gevity, and an additional approximately $2.0 million taken by us after acquiring Gevity, should be reversed, which position we dispute. The ultimate outcome of these examinations and tax disputes cannot be predicted with certainty. Should the IRS or other tax authorities assess additional taxes as a result of examinations, we may be required to record charges to operations that could have a material impact on our results of operations, financial position or cash flows.

Our business and operations have experienced rapid growth in recent periods, and if we are unable to effectively manage this growth, our business and results of operations may suffer.

We have experienced rapid growth and have significantly expanded our operations in recent periods, which has placed a strain on our management, administrative, operational and financial infrastructure. Managing this growth requires us to further refine our operational, financial and management controls and reporting systems and procedures.

Our ability to effectively manage any significant growth of our business will depend on a number of factors, including our ability to do the following:

- effectively recruit, integrate, train and motivate a large number of new employees, including our direct sales force, while retaining our existing employees, maintaining the beneficial aspects of our corporate culture and effectively executing our business plan;
- satisfy our existing clients and identify and acquire new clients;
- enhance the breadth and quality of our services;
- continue to improve our operational, financial and management controls; and
- make sound business decisions in light of the scrutiny associated with operating as a public company.

These activities will require significant operating and capital expenditures and allocation of valuable management and employee resources, and we expect that our growth will continue to place significant demands on our management and on our operational and financial infrastructure.

Our future financial performance and our ability to execute on our business plan will depend, in part, on our ability to effectively manage any future growth. We cannot assure you that we will be able to do so in an efficient or timely manner, or at all. In particular, any failure to successfully implement systems enhancements and improvements will likely negatively impact our ability to manage our expected growth, ensure uninterrupted operation of key business systems and comply with the rules and regulations that are applicable to public companies. If we fail to manage our growth effectively, our costs and expenses may increase more than we expect them to, which in turn could harm our business, results of operations and financial condition.

We may not be able to sustain our revenue growth rate or profitability in the future.

While we have achieved profitability on an annual basis in each of the last two and four of the last five fiscal years, we expect our operating expenses to increase substantially in the near term, particularly as we make significant investments in our sales and marketing organization, expand our operations and infrastructure and enhance the breadth and quality of our services. If our revenues do not increase to offset these increases in our operating expenses, we may not be profitable in future periods.

Moreover, you should not consider our historical revenue growth to be indicative of our future performance. As we grow our business, our revenue growth rates may slow in future periods due to a number of reasons, which may include slowing demand for our services, increasing competition, a decrease in the growth of our overall market, our failure, for any reason, to continue to capitalize on growth opportunities, the maturation of our business or the decline in the number of SMBs in our target markets.

Our industry is highly competitive, which may limit our ability to maintain or increase our market share or improve our results of operations.

We face significant competition on a national and regional level from a number of companies purporting to deliver a range of bundled services that are generally similar to the services we provide, including large professional employer organizations such as the TotalSource unit of Automatic Data Processing, Inc. and Insperity, Inc., as well as specialized and small professional employer organization service providers. If and to the extent that we and other companies providing these services are successful in growing our businesses, we anticipate that future competitors will enter this industry. Some of our current, and any future, competitors have or may have greater marketing and financial resources than we do, and may be better positioned than we are in certain markets. Increased competition in our industry could result in price reductions or loss of market share, any of which could harm our business. We expect that we will continue to experience competitive pricing pressure. If we cannot compete effectively, our market share, business, results of operations and financial condition may suffer.

In addition to competition from other professional employer organizations, we also face competition in the form of companies and third parties serving HR needs in traditional manners. These forms of competition include:

- HR and information systems departments and personnel of companies that perform their own administration of benefits, payroll and other HR functions;
- providers of certain endpoint HR services, including payroll, benefits and business process outsourcers with high-volume transaction and administrative capabilities, such as Automatic Data Processing, Inc., Paychex, Inc. and other third-party administrators; and
- benefits exchanges that provide benefits administration services over the Internet to companies that otherwise maintain their own benefit plans.

We believe that our services are attractive to many SMBs in part because of our ability to provide workers compensation, health care and other benefits programs to them on a cost-effective basis. We compete with insurance brokers and other providers of this coverage in this regard, and our offerings must be priced competitively with those provided by these competitors in order for us to attract and retain our clients.

We may not be successful in convincing potential clients that the use of our services is a superior, cost- effective means of satisfying their HR obligations relative to the way in which they currently satisfy these obligations.

If we cannot compete effectively against other professional employer organizations or against the alternative means by which companies meet their HR obligations, our market share, business, results of operations and financial condition may suffer.

Adverse changes in our relationships with key vendors could impair the quality of our solution.

Our success depends in part on our ability to establish and maintain arrangements and relationships with vendors that supply us with essential components of our services. These service providers include insurance carriers to provide health and workers compensation insurance coverage for WSEs, as well as other vendors such as couriers used to deliver client payroll checks and banks used to electronically transfer funds from clients to their employees. Failure by these service providers, for any reason, to deliver their services in a timely manner could result in material interruptions to our operations, impact client relations, and result in significant penalties or other liabilities to us. Our agreements with these service providers typically have a term of one year. In addition, many of our employee benefit plan agreements may be terminated by the insurance companies on 90 days' notice. If any of these vendors decided to terminate its relationship with us, we may have difficulty obtaining replacement services at reasonable rates or on a timely basis, if at all. The loss of any one or more of our key vendors, or our inability to partner with certain vendors that are better-known or more desirable to our clients or potential clients, could impair the quality of our solution and harm our business.

We depend on licenses to third-party software in order to provide our services.

We license a substantial portion of the software on which we depend to provide services to our clients from third-party vendors, including Oracle America, Inc. If we are unable to maintain these licenses, or if we are required to make significant changes in the terms and conditions of these licenses, we may need to seek replacement vendors or change our software architecture to address licensing revisions with our current vendors, either of which could increase our expenses and impair the quality of our services. In addition, we cannot assure you that our key vendors will continue to support their technology. Financial or other difficulties experienced by these vendors may adversely affect the technologies we incorporate into our products and services. If this software ceases to be available, we may be unable to find suitable alternatives on reasonable terms, or at all.

If we are deemed to be an insurance agent or third-party administrator, we may incur significant additional costs and expenses, which could harm our results of operations.

State regulatory authorities generally require licenses for companies that do business in their states as insurance agents or third-party administrators, such as those that handle health or retirement plan funding and

claim processing. Insurance and third-party administrator regulation covers a host of activities, including sales, underwriting, rating, claims payments and record keeping by companies and agents. We do not believe that our services constitute acting as an insurance agent or third-party administrator. If regulatory authorities in any state determine that the nature of our business requires that we be licensed as an insurance agent or as a third-party administrator, we may need to hire additional personnel to manage regulatory compliance and become obligated to pay annual regulatory fees, which could adversely affect our results of operations.

Most of our clients are concentrated in a relatively small number of industries, making us vulnerable to downturns in those industries.

Most of our clients operate in the technology, life sciences, property management, professional services, banking and financial services, retail, manufacturing and hospitality services industries. As a result, if any of those industries suffers a downturn, the portion of our business attributable to clients in that industry could be adversely affected. For example, in July 2013, we acquired Ambrose Employer Group, LLC, a New York-based company that provides HR services primarily to WSEs in the financial services industry in the New York area, which we refer to as Ambrose. If the financial services industry were to suffer a downturn similar to the one that began in the fall of 2008, our Ambrose product line would likely suffer.

We have a substantial amount of indebtedness, which could adversely affect our financial condition and our operating flexibility.

As of September 30, 2013, we had $820.0 million in outstanding indebtedness under our credit facility, all of which was secured indebtedness of our subsidiary, TriNet HR Corporation, guaranteed on a senior secured basis by us and certain of our subsidiaries. In August 2013, we entered into two new credit facilities, the proceeds of which we used to repay approximately $448.3 million of indebtedness outstanding under the previous credit facility, declare a special dividend, issue letters of credit and pay transaction costs. Our level of indebtedness and the limitations imposed on us by our credit facilities could affect our business in various ways, including the following:

- we will have to use a portion of our cash flows from operating activities for debt service rather than for other operational activities;
- we may not be able to borrow additional funds or obtain additional financing for future working capital, acquisitions, capital expenditures or other corporate purposes, or may have to pay more for such financing;
- some or all of the indebtedness under our current or future credit facilities bears interest at variable interest rates, making us more vulnerable to interest rate increases;
- we could be less able to take advantage of significant business opportunities, such as acquisition opportunities, and to react to changes in market or industry conditions; and
- we may be more vulnerable to general adverse economic and industry conditions as a result of our inability to reduce our debt service costs in response to reduced revenues.

Because borrowings under each of our credit facilities bear interest at variable rates, our interest expense could increase even though the amount borrowed remains the same, exacerbating these risks. Our ability to meet these expenses depends on our future business performance, which will be affected by various factors, including the risks described in this “Risk Factors” section. We are not able to control many of these factors, such as economic conditions in the markets where we operate and pressure from competitors. Our operations may provide insufficient cash to pay the principal and interest on our credit facility and to meet our other debt obligations. If so, we may be required to refinance all or part of our existing indebtedness or borrow additional funds, which we may not be able to do on terms that are acceptable to us, if at all. In addition, the terms of our existing or future debt agreements may restrict our ability to take some or all of these responsive actions. If we were unable to pay the principal and interest on our credit facility or meet our other debt obligations, the lenders under our credit facility could terminate their commitments to extend further credit to us and accelerate a substantial part of our indebtedness. If that were to happen, we may not be able to repay all of the amounts that would become due under our indebtedness or refinance our debt. If we were unable to repay those amounts or refinance our debt, the lenders under each of our credit

facilities could proceed against the collateral granted to them to secure that indebtedness. If that were to happen, our results of operations and financial condition could be harmed and we might be forced to seek bankruptcy protection.

The terms of our credit facilities may restrict our current and future operations, which would impair our ability to respond to changes in our business and to manage our business.

Our credit facilities contain, and any future indebtedness of ours would likely contain, a number of restrictive covenants that impose significant operating and financial restrictions on us, including restricting our ability to:

- incur, assume or guarantee additional debt;
- pay dividends or distributions or redeem or repurchase capital stock;
- incur or assume liens;
- make loans, investments and acquisitions;
- engage in sales of assets and subsidiary stock;
- enter into sale-leaseback transactions;
- enter into certain transactions with affiliates;
- complete dividends, loans or asset transfers from our subsidiaries;
- enter into new lines of business;
- prepay other indebtedness;
- transfer all or substantially all of our assets or enter into merger or consolidation transactions with another person; and
- make capital expenditures.

Under the revolving credit facility, we are required to comply with a financial covenant that requires us and our subsidiaries to maintain a maximum leverage ratio so long as there is any indebtedness outstanding under the revolving credit facility (excluding letters of credit issued and outstanding of up to $15.0 million other than letters of credit that have been cash collateralized). Our ability to meet the leverage ratio can be affected by events beyond our control, and we may be unable to comply with it. Our failure to comply with this financial covenant or other restrictive covenants under our credit facilities and other debt instruments could result in a default under each of our credit facilities and/or other debt instruments, which in turn could result in the termination of the lenders' commitments to extend further credit to us under our revolving credit facility and acceleration of a substantial portion of our indebtedness then outstanding under each of our credit facilities. If that were to happen, we may not be able to repay all of the amounts that would become due under our indebtedness or refinance our debt. If we were unable to repay those amounts or refinance our debt, the lenders under either of our credit facilities could proceed against the collateral granted to them to secure that indebtedness. If that were to happen, our results of operations and financial condition could be harmed and we might be forced to seek bankruptcy protection.

Volatility in the financial and economic environment could harm our business.

Demand for our services is sensitive to changes in the level of overall economic activity in the markets in which we operate. During periods of weak economic conditions, employment levels tend to decrease, small business failures tend to increase and interest rates may become more volatile. Current or potential clients may also react to weak economic conditions or forecasted weak economic conditions by reducing their employee headcount or by lowering their wage, bonus or benefits levels, any of which would affect our revenues, and may affect our margins, because we may be unable to reduce our selling, administrative or other expenses sufficient to offset the drop in revenues. It is difficult for us to forecast future demand for our services due to the inherent difficulty in

forecasting the direction and strength of economic cycles. These conditions may affect the willingness of our clients and potential clients to pay outside vendors for services like ours, and may impact their ability to pay their obligations to us on time, or at all. In addition, if businesses have difficulty obtaining credit, business growth and new business formation may be impaired, which could also harm our business. Even modest downturns in economic activity or the availability of credit on a regional or national level could harm our business.

If we fail to retain our key personnel or fail to attract additional skilled personnel, our business may suffer.

Our operations are dependent on the continued efforts of our officers and executive management and the performance and productivity of our regional managers and field personnel. Our ability to attract and retain business depends on the quality of our services and the relationships that we maintain with our clients. If we lose key personnel with significant experience in managing our business, this could impair our ability to deliver services effectively or profitably, could divert other senior management time in seeking replacements, and could adversely affect our reputation with our clients and potential clients. Some of our most important client relationships depend on the continued involvement of individual managers or sales personnel, and any loss of those individuals could jeopardize those relationships and in turn adversely affect our operating results.

Our future success will depend on our ability to attract, hire, train and retain highly skilled technical, sales and marketing and support personnel, particularly with expertise in outsourced solutions and the technology platforms that we deploy today and will deploy in the future. Qualified personnel are in great demand throughout the HR industry. Our failure to attract and retain the appropriate personnel may limit the rate at which we can expand our business, including developing new services and attracting new clients.

Improper disclosure of sensitive or confidential company, employee or client data, including personal data, could result in liability and harm our reputation.

Our business involves the use, storage and transmission of information about our corporate employees, WSEs and clients. This information includes sensitive or confidential data, such as employees' Social Security numbers, bank account numbers, retirement account information and medical information. We and our third-party service providers have established policies and procedures to help protect the security and privacy of this information, but it is possible that our security controls over sensitive or confidential data may not prevent the improper access to or disclosure of this information. Third parties, including vendors that provide services for our operations, could also be a source of security risk to us in the event of a failure of their own security systems and infrastructure. Any such disclosure could harm our reputation and expose us to liability under our contracts and under the many and sometimes contradictory laws and regulations regarding data privacy in the various markets in which we operate. Any failure to adhere to applicable laws and regulations or to our contractual commitments with respect to the preservation and use of confidential information could result in legal liability and could damage our reputation.

Any failure in our business systems could reduce the quality of our business services, which could harm our reputation and expose us to liability.

Our business systems rely on the complex integration of numerous hardware and software subsystems to manage the transactions involved in managing the client relationship through the processing of employee, payroll and benefits data. These systems can be disrupted by, among other things, equipment failures, computer server or systems failures, network outages, malicious acts, software errors or defects, vendor performance problems and power failures. Any delay or failure in our systems that impairs our ability to communicate electronically with our clients, employees or vendors or our ability to store or process data could harm our reputation and our business. If we are unable to meet client demands or service expectations, we may lose existing clients and we may have difficulty attracting new clients. In addition, errors in our products and services, such as the erroneous denial of healthcare benefits or delays in making payroll, could expose our clients to liability claims from improperly serviced WSEs, for which we are contractually obligated to provide indemnification.

We have disaster recovery, business continuity, and crisis management plans and procedures designed to protect our business against a multitude of events, including natural disasters, military or terrorist actions, power or communication failures, or similar events. Despite our preparations, our plans may not be successful in preventing the loss of client data, service interruptions, and disruptions to our operations, or damage to our important facilities. The precautions that we have taken to protect ourselves against these types of events may prove to be inadequate. If we suffer damage to our data or operations centers, experience a telecommunications failure or experience a security breach, our operations could be interrupted. Any interruption or other loss may not be covered by our insurance and could harm our reputation.

If our systems were to fail for any of these reasons during payroll processing, preventing the proper payment of employees, or the proper remission of payroll taxes, we could be liable for wage payment delay penalties and payroll tax penalties, as well as other contractual penalties. Any inaccuracies in the processing of health insurance benefits could result in our being liable for lapses in insurance. If any of our systems fails to operate properly or becomes disabled even for a brief period of time, we could suffer financial loss, a disruption of our businesses, liability to clients, regulatory intervention, or damage to our reputation.

We must keep pace with rapid technological change in order to succeed.

Our business depends upon the use of software, hardware and networking technologies that must be frequently and rapidly upgraded in response to technological advances, competitive pressures and consumer expectations. To succeed, we will need to effectively develop or license and integrate these new technologies as they become available to improve our services commensurate with client requirements. In particular, we rely on enterprise software applications licensed from third parties that are upgraded from time to time, such as PeopleSoft HR information systems and Oracle databases, that provide the basis for our HR information system platform supporting payroll, benefits and other HR functions. Any difficulties we encounter in adapting applications upgrades to our systems could harm our performance or delay or prevent the successful development, introduction or marketing of new services. New products or upgrades may not be released according to schedule, or may contain defects when released. Difficulties in integrating new technologies could result in adverse publicity, loss of sales, delay in market acceptance of our services, or client claims against us, any of which could harm our business. We could also incur substantial costs in modifying our services or infrastructure to adapt to these changes. In addition, we could lose market share if our competitors develop technologically superior products and services.

Our co-employment relationship with our worksite employees exposes us to business risks.

We are a co-employer of our WSEs, and there is a possibility that we may be subject to liability for violations of employment laws by our clients and acts or omissions of our WSEs, who may be deemed to be our agents, even if we do not participate in any such acts or violations. Such laws include, but are not limited to, laws relating to payment of wages, employment discrimination, labor relations and whistleblower protection. Although our client agreements establish the contractual division of responsibilities between us and our clients for various personnel management matters, including compliance with and liability under various governmental regulations, as well as providing for clients to indemnify us for any liability attributable to clients' or their employees' conduct, we may not be able to effectively enforce or collect these contractual obligations with our clients, which could harm our business. We maintain employment practices liability insurance coverage (including coverages for our clients) to manage our and our clients' exposure for various employee-related claims, and as a result, our incurred costs with respect to this exposure have historically been insignificant to our operating results. Employment practices liability insurance generally excludes coverage for claims relating to compliance with laws associated with the classification of employees as exempt or non-exempt, such as overtime pay and minimum wage law compliance. We cannot assure you that our insurance will be sufficient in amount or scope to cover all claims that may be asserted against us and for which we are unable to obtain indemnification from our clients. If judgments or settlements related to WSEs that we and our clients employ exceed our insurance coverage, it could harm our results of operations and financial condition. We cannot assure you that we will be able to obtain appropriate types and levels of insurance in the future, that we will be able to replace existing policies on acceptable terms, or at all, or that our insurers will be able to pay all claims that we may make under our policies, any of which could harm our business.

Our failure to maintain or enhance our reputation or brand recognition could harm our business.

We believe that maintaining and enhancing our reputation and the TriNet brand identity is critical to maintaining our relationships with our clients and vendors and our ability to attract new clients and vendors. We also believe that our reputation and brand identity will become more important as competition in our industry continues to develop. Our ability to maintain and enhance our reputation and brand identity will be affected by a number of factors, some of which are beyond our control, including:

- the effectiveness of our marketing efforts;
- our ability to attract and retain new sales personnel to expand our direct sales force;
- our ability to retain our existing clients and attract new clients;
- the quality and perceived value of our services;
- our ability to successfully differentiate our services from those of our competitors;
- actions of our competitors and other third parties;
- positive or negative publicity about us or our industry in general;
- interruptions, delays or attacks on our website; and
- litigation or regulatory developments.

Any brand promotion activities in which we engage may not be successful or yield increased revenues. Furthermore, negative publicity, whether or not justified, relating to events or activities attributed to us, our corporate employees, our WSEs, our vendors, other companies in our industry or others associated with any of these parties, may tarnish our reputation and reduce the value of our brand. Damage to our reputation and loss of brand equity may reduce demand for our services and harm our business, results of operations and financial condition. Moreover, any attempts to rebuild our reputation and restore the value of our brand may be costly and time-consuming, and any such efforts may not ultimately be successful.

If we are unable to protect our intellectual property, or if we infringe on the intellectual property rights of others, our business may be harmed.

Our success depends in part on intellectual property rights to the services that we develop. We rely on a combination of contractual rights, including non-disclosure agreements, trade secrets, copyrights and trademarks, to establish and protect our intellectual property rights in our names, services, methodologies and related technologies. If we lose intellectual property protection or the ability to secure intellectual property protection on any of our names, confidential information or technology, this could harm our business. Our intellectual property rights may not prevent competitors from independently developing services and methodologies similar to ours, and the steps we take might be inadequate to deter infringement or misappropriation of our intellectual property by competitors, former employees or other third parties, any of which could harm our business. We do not currently have any registered patents or pending patent applications covering any of our technology. We own registered trademarks in the United States and Canada that have various expiration dates unless renewed through customary processes. Our trademark registrations may be unenforceable or ineffective in protecting our trademarks. Our trademarks may be unenforceable in countries outside of the United States, which may adversely affect our ability to build our brand outside of the United States.

Although we believe that our conduct of our business does not infringe on the intellectual property rights of others, third parties may nevertheless assert infringement claims against us in the future. We may be required to modify our products, services, internal systems or technologies, or obtain a license to permit our continued use of those rights. We may be unable to do so in a timely manner, or upon reasonable terms and conditions, which could harm our business. In addition, future litigation over these matters could result in substantial costs and resource diversion. Adverse determinations in any litigation or proceedings of this type could subject us to significant liabilities to third parties and could prevent us from using some of our services, internal systems or technologies.

Our use of open source software could subject us to possible litigation.

A portion of our technologies incorporates open source software, and we expect to continue to incorporate open source software into our platform in the future. Few of the licenses applicable to open source software have been interpreted by courts, and their application to the open source software integrated into our proprietary technology platform may be uncertain. If we fail to comply with these licenses, then pursuant to the terms of these licenses, we may be subject to certain requirements, including requirements that we make available the source code for our software that incorporates the open source software. We cannot assure you that we have not incorporated open source software in our software in a manner that is inconsistent with the terms of the applicable licenses or our current policies and procedures. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could incur significant legal expenses defending against such allegations. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition or require us to devote additional research and development resources to change our technology platform.

If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.

As a public company, we will be required to maintain internal control over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting and, beginning with our annual report for the year ending December 31, 2015, provide a management report on our internal control over financial reporting. This report must be attested to by our independent registered public accounting firm. If we have a material weakness in our internal control over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated.

We are in the process of designing and implementing our internal control over financial reporting, which process will be time consuming, costly and complicated. If we identify material weaknesses in our internal control over financial reporting in the future, we are unable to comply with the requirements of Section 404 in a timely manner, we are unable to assert that our internal control over financial reporting is effective or our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting when required to do so, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the Securities and Exchange Commission, or SEC, or other regulatory authorities, which could require additional financial and management resources.

If we are unable to successfully remediate the existing material weakness in our internal control over financial reporting, the accuracy and timing of our financial reporting may be adversely affected.

In preparing and reviewing our consolidated financial statements as of and for the nine months ended September 30, 2013, we and our independent registered public accounting firm identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. The material weakness identified related to our incorrectly recording a deferred tax asset in connection with our accounting for our acquisition of Ambrose that should have been reported as goodwill. As a result, there were adjustments required in connection with closing our books and records and preparing our consolidated financial statements for the nine months ended September 30, 2013.

In response to this material weakness, we plan to hire additional personnel to build our financial management and reporting infrastructure, and further develop and document our accounting policies and financial reporting procedures. However, we cannot assure you that we will be successful in pursuing these

measures or that these measures will significantly improve or remediate the material weakness described above. We also cannot assure you that we have identified all of our existing material weaknesses, or that we will not in the future have additional material weaknesses.

Neither we nor our independent registered public accounting firm has performed an evaluation of our internal control over financial reporting during any period in accordance with the provisions of the Sarbanes-Oxley Act. In light of the material weakness that was identified as a result of the limited procedures performed, we believe that it is possible that, had we and our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses or significant control deficiencies may have been identified.

If we fail to remediate the material weakness or to meet the demands that will be placed upon us as a public company, including the requirements of the Sarbanes-Oxley Act, we may be unable to accurately report our financial results, or report them within the timeframes required by law or stock exchange regulations. Failure to comply with Section 404 of the Sarbanes-Oxley Act could also potentially subject us to sanctions or investigations by the SEC or other regulatory authorities. We cannot assure you that we will be able to remediate the material weakness in a timely manner, or at all, or that in the future, additional material weaknesses will not exist or otherwise be discovered. If our efforts to remediate the material weakness identified are not successful, or if other material weaknesses or other significant control deficiencies occur, our ability to accurately and timely report our financial results could be impaired, which could result in late filings of our annual and quarterly reports under the Securities Exchange Act of 1934, as amended, or the Exchange Act, restatements of our consolidated financial statements, a decline in our stock price, suspension or delisting of our common stock from the , and could adversely affect our reputation, results of operations and financial condition.

We will incur substantial increased costs as a result of being a public company.

As a public company, we will incur significant levels of legal, accounting and other expenses that we did not incur as a private company. We will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing requirements of and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and results of operations. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business and results of operations. Although we have already hired additional corporate employees to comply with these requirements, we may need to hire more corporate employees in the future or engage outside consultants, which would increase our costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected.

We also expect that being a public company and these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

As a result of disclosure of information in this prospectus and in the filings that we will be required to make as a public company, our business, results of operations and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If any such claims are successful, our business, results of operations and financial condition could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business, results of operations and financial condition.

Risks Related to This Offering and Ownership of Our Common Stock

There has been no prior market for our common stock. An active market for our common stock may not develop or be sustainable and investors may not be able to resell their shares at or above the initial public offering price.

There has been no public market for our common stock prior to this offering. The initial public offering price for our common stock will be determined through negotiations between the representatives of the underwriters and us and may vary from the market price of our common stock following this offering. If you purchase shares of our common stock in this offering, you may not be able to resell those shares at or above the initial public offering price. An active or liquid market in our common stock may not develop upon completion of this offering or, if it does develop, it may not be sustainable.

Our stock price may be volatile or may decline regardless of our operating performance, resulting in substantial losses for investors purchasing shares in this offering.

The initial public offering price for the shares of our common stock sold in this offering will be determined by negotiation between the representatives of the underwriters and us. This price may not reflect the market price of our common stock following this offering. In addition, we expect the market price of our common stock may be volatile for the foreseeable future. The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including the factors listed below and other factors described in this “Risk Factors” section:

- actual or anticipated fluctuations in our results of operations;
- any financial projections we provide to the public, any changes in these projections or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- ratings changes by any securities analysts who follow our company;
- announcements by us or our competitors of significant innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- changes in operating performance and stock market valuations of other business services companies generally, or those in our industry in particular;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- changes in our board of directors or management;

- sales of large blocks of our common stock, including sales by our executive officers, directors and significant stockholders;
- lawsuits threatened or filed against us;
- short sales, hedging and other derivative transactions involving our capital stock;
- general economic conditions in the United States and abroad; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events.

In addition, stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many business services companies. Stock prices of many business services companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and adversely affect our business, results of operations and financial condition.

Substantial future sales of shares of our common stock could cause the market price of our common stock to decline.

Sales of a substantial number of shares of our common stock in the public market after this offering, or the perception that these sales might occur, could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that such sales may have on the prevailing market price of our common stock.

All of our executive officers, senior management and directors and substantially all of the holders of our capital stock are subject to lock-up agreements that restrict their ability to transfer shares of our capital stock for 180 days from the date of this prospectus. Approximately shares of our common stock will become eligible for sale upon expiration of the 180-day lock-up period. J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC may, in their sole discretion, permit the parties to these lock-up agreements to sell shares prior to the expiration of the lock-up agreements.

In addition, as of September 30, 2013, there were 3,343,372 shares of common stock subject to outstanding options and 3,266 shares of common stock issuable upon settlement of restricted stock units. We intend to register all of the shares of common stock issuable upon exercise of these outstanding options and settlement of these outstanding restricted stock units, and upon exercise or settlement of any options or other equity incentives we may grant in the future, for public resale under the Securities Act of 1933, as amended. Accordingly, these shares will be able to be freely sold in the public market upon issuance as permitted by any applicable vesting requirements, subject to the lock-up agreements described above. These shares will become eligible for sale in the public market to the extent such options are exercised or such restricted stock units settle, subject to the lock-up agreements described above and compliance with applicable securities laws.

Holders of 19,032,854 shares of common stock issuable upon conversion of outstanding preferred stock as of September 30, 2013, and without giving effect to the sale of shares in this offering by the selling stockholders, have rights, subject to some conditions, to require us to file registration statements for the public resale of the common stock issuable upon conversion of such shares or to include such shares in registration statements that we may file for TriNet or our stockholders.

Purchasers in this offering will experience immediate and substantial dilution in the book value of their investment.

The initial public offering price of our common stock will be substantially higher than the pro forma net tangible book value per share of our common stock outstanding immediately following this offering. Therefore, if you purchase shares of our common stock in this offering at a price of $, which is the midpoint of the

estimated offering price range set forth on the cover page of this prospectus, you will experience immediate dilution of $ per share, the difference between the price per share you pay for our common stock and its pro forma net tangible book value per share as of September 30, 2013, after giving effect to the issuance of shares of our common stock in this offering. This dilution is due in large part to the fact that our earlier investors paid substantially less than the initial public offering price when they purchased their shares of our common stock. In addition, we have issued options and a warrant to acquire our common stock at prices significantly below the initial public offering price. To the extent that outstanding options and the warrant are ultimately exercised, there will be further dilution to investors purchasing our common stock in this offering. In addition, if the underwriters exercise their option to purchase additional shares from us or if we issue additional equity securities, you will experience additional dilution.

Future sales and issuances of our capital stock or rights to purchase our capital stock could result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to decline.

We may issue additional securities after this offering. Future sales and issuances of our capital stock or rights to purchase our capital stock could result in substantial dilution to our existing stockholders. We may sell common stock, convertible securities and other equity securities in one or more transactions at prices and in a manner as we may determine from time to time. If we sell any such securities in subsequent transactions, investors may be materially diluted. New investors in these subsequent transactions could gain rights, preferences and privileges senior to those of holders of our common stock.

The existing ownership of capital stock by our executive officers, directors and their affiliates has the effect of concentrating voting control with our executive officers, directors and their affiliates for the foreseeable future, which will limit your ability to influence corporate matters.

Upon the closing of this offering, persons and entities affiliated with General Atlantic will beneficially own approximately % of our outstanding common stock, and all of our directors, officers and their affiliates will beneficially own, in the aggregate, approximately % of our outstanding common stock, in each case, assuming no exercise of the underwriters' option to purchase additional shares. As a result, these stockholders will be able to determine substantially all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, such as a merger or other sale of our company or its assets. This concentration of ownership could limit the ability of other stockholders to influence corporate matters and may have the effect of delaying or preventing a third party from acquiring control over us.

If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our share price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business, our market and our competitors. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our shares or change their opinion of our shares, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

We may invest or spend the proceeds of this offering in ways with which you may not agree or in ways which may not yield a return.

We expect to use the net proceeds that we receive from this offering for repayment of indebtedness, general corporate purposes, including working capital, sales and marketing activities, general and administrative matters and capital expenditures. We may also use a portion of the net proceeds to acquire complementary businesses, products, services or technologies. Our management will have considerable discretion in the application of the net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not increase the value of our business, which could cause the price of our stock to decline.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Provisions in our certificate of incorporation and bylaws, as they will be amended and restated in connection with this offering, may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and bylaws will include provisions that:

- establish a classified board of directors so that not all members of our board of directors are elected at one time;
- permit our board of directors to establish the number of directors;
- provide that directors may only be removed "for cause";
- require super-majority voting to amend some provisions in our certificate of incorporation and bylaws;
- authorize the issuance of "blank check" preferred stock that our board of directors could use to implement a stockholder rights plan;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- provide that our board of directors is expressly authorized to make, alter or repeal our bylaws; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for our stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any holder of at least 15% of our capital stock for a period of three years following the date on which the stockholder became a 15% stockholder.

In making your investment decision, you should not rely on information in public media that is published by third parties. You should rely only on statements made in this prospectus in determining whether to purchase our common stock.

You should carefully evaluate all of the information in this prospectus. We have in the past received, and may continue to receive, media coverage, including coverage that is not directly attributable to statements made by our directors, officers and other employees. We cannot confirm the accuracy of such coverage. You should rely only on the information contained in this prospectus in determining whether to purchase our shares of common stock.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections titled “Prospectus Summary,” “Risk Factors,” “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” contains forward-looking statements. In some cases you can identify these statements by forward-looking words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “plan,” “expect” or the negative or plural of these words or similar expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- the market acceptance of outsourcing the HR function, and the anticipated benefits associated with the use of a bundled HR solution;
- our ability to expand our direct sales force and the efficacy of our sales and marketing efforts;
- our ability to gain new clients, and our clients’ ability to grow and gain more employees;
- our ability to effectively acquire and integrate new businesses;
- the effects of seasonal trends on our results of operations;
- changes to and our ability to comply with laws and regulations, including both those applicable to the co-employment relationship as well as those applicable to our clients’ businesses and their employees;
- the implementation of the Patient Protection and Affordable Care Act, as modified by the Health Care and Education Reconciliation Act, and its application to the co-employer relationship, and
- our ability to effectively manage our growth;
- the effects of increased competition and our ability to compete effectively;
- our ability to comply with the restrictions of our credit facilities and meet our debt obligations;
- economic and financial conditions and our ability to succeed in different economic environments;
- employment and wage levels;
- industry and technology trends;
- our ability to attract and retain qualified personnel;
- our ability to maintain, protect and enhance our brand and our intellectual property;
- our financial performance, including our revenues, costs of revenues, gross margin and operating expenses, and our ability to sustain profitability;
- our future capital requirements and estimates regarding the sufficiency of our cash resources; and
- our ability to effectively scale and adapt our technology.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in “Risk Factors.” Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, except as required by law, neither we nor any other

person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the Securities and Exchange Commission as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

MARKET, INDUSTRY AND OTHER DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry and the market in which we operate, including our market position, market opportunity and market size, is based on information from various sources, on assumptions that we have made based on such data and other similar sources and on our knowledge of the markets for our products. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates.

We have not independently verified any third-party information. While we believe that the market position, market opportunity and market size information included in this prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled “Risk Factors” and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

The following reports described herein represent data, research opinion or viewpoints published as part of a syndicated subscription service by each of the respective publishers thereof and are not representations of fact. Such reports speak as of their respective original publication dates (and not as of the date of this prospectus) and the opinions expressed in such reports are subject to change without notice:

1. Statistics about Business Size (including Small Business), reported by the U.S. Census Bureau at www.census.gov/econ/smallbus.html
2. HR Department Benchmarks and Analysis 2013-2014, published by the Bureau of National Affairs, Inc.
3. 2012 Annual Report of the National Association of Professional Employer Organizations

USE OF PROCEEDS

We estimate that we will receive net proceeds from the sale of common stock offered by us of approximately $ million, based upon an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' option to purchase additional shares of common stock is exercised in full, we estimate that we will receive net proceeds of approximately $ million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any proceeds from the sale of common stock by the selling stockholders.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of common stock offered by us would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming that the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions.

The principal purpose of this offering is to repay approximately $200 million of indebtedness outstanding under our credit facilities, increase our equity capitalization and financial flexibility, increase our visibility in the marketplace and create a public market for our common stock.

Our credit facilities consist of (a) a first lien credit facility, which provides for a $75.0 million revolving credit facility, a $175.0 million tranche B-1 term loan and a $455.0 million tranche B-2 term loan, and (b) a second lien credit facility, which provides for a $190.0 million term loan. As of September 30, 2013, we had an aggregate of $820.0 million of indebtedness outstanding under our senior secured credit facilities. We intend to repay the entire $190.0 million of indebtedness outstanding under our second lien term loan and a portion of the indebtedness outstanding under our $175.0 million tranche B-1 term loan with the net proceeds of this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Facilities."

As of the date of this prospectus, we cannot specify with certainty all of the particular uses for any remaining net proceeds to us from this offering. However, we currently intend to use the net proceeds to us from this offering primarily for general corporate purposes, including working capital, sales and marketing activities, general and administrative matters and capital expenditures. We may also use a portion of the net proceeds from this offering for the acquisition of, or investment in, technologies, solutions or businesses that complement our business, although we have no present commitments or agreements to enter into any such acquisitions or investments. We will have broad discretion over the uses of the net proceeds from this offering. Pending these uses, we intend to invest the net proceeds from this offering in short-term, investment-grade, interest-bearing securities such as money market funds, certificates of deposit, commercial paper and guaranteed obligations of the U.S. government.

DIVIDEND POLICY

Our board of directors has declared three special dividends since January 1, 2011. In May 2011, our board of directors declared a special dividend of $2.20 per common-equivalent share for holders of record of our preferred stock and $2.20 per share for holders of record of our common stock and restricted stock units. The dividends for holders of preferred stock and common stock were fully paid in June and July 2011, respectively, for a total of $50.9 million. The dividends for holders of restricted stock units, up to a total of $0.2 million, are payable as the restricted stock units vest. In March 2012, our board of directors declared a special dividend of $3.13 per common-equivalent share for holders of record of our preferred stock and $3.13 per share for holders of record of our common stock and restricted stock units. The dividends for holders of preferred stock and common stock were fully paid in March and May 2012, respectively, for a total of $75.4 million. The dividends for holders of restricted stock units, up to a total of $0.1 million, are payable as the restricted stock units vest. In August 2013, our board of directors declared a special dividend of $23.50 per common-equivalent share for holders of record of our preferred stock and $11.75 per share for holders of record of our common stock and restricted stock units. The dividends for holders of preferred stock and common stock were fully paid in August and September 2013, respectively, for a total amount of $310.7 million. The dividends for holders of restricted stock units, up to a total of $0.1 million, are payable as the restricted stock units vest.

Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant. In addition, our credit facilities contain restrictions on our ability to declare and pay cash dividends on our capital stock.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, notes payable and capitalization as of September 30, 2013:

- on an actual basis;
- on a pro forma basis, giving effect to the conversion of all outstanding shares of preferred stock into 19,032,854 shares of common stock immediately prior to the closing of this offering and the filing and effectiveness of our amended and restated certificate of incorporation in Delaware; and
- on a pro forma as adjusted basis to reflect, in addition to the pro forma adjustments set forth above, (i) the sale by us of shares of common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and (ii) the application of $200.0 million of the net proceeds of this offering to repay amounts outstanding under our credit facilities.

You should read the information in this table together with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

	As of September 30, 2013		
	Actual	Pro Forma	Pro Forma As Adjusted [1]
	(in thousands, except share and per share data)		
Cash and cash equivalents	$ 112,161	$ 112,161	
Notes payable, current and non-current	$ 820,000	$ 820,000	
Convertible preferred stock:			
Series G convertible preferred stock, $0.0001 per share stated value, 5,391,441 shares authorized, issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	59,059	—	—
Series H convertible preferred stock, $0.0001 per share stated value, 4,124,986 shares authorized, issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	63,819	—	—
Stockholders' equity:			
Common stock, $0.00005 per share stated value, 32,000,000 shares authorized and 7,417,056 shares issued and outstanding, actual; shares authorized and 26,449,910 shares issued and outstanding, pro forma; shares authorized and shares issued and outstanding, pro forma as adjusted	71,017	193,895	
Accumulated deficit	(426,303)	(426,303)	
Accumulated other comprehensive loss	(158)	(158)	
Total stockholders' equity	$ (355,444)	$ (232,566)	
Total capitalization	$ 699,595	$ 699,595	

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) each of cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of our common stock offered by us would increase (decrease) cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by approximately $ million, assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

The outstanding share information in the table above is based on 26,449,910 shares of our common stock (including preferred stock on an as-converted basis) outstanding as of September 30, 2013, and excludes:

- 3,343,372 shares of common stock issuable upon the exercise of outstanding stock options as of September 30, 2013 pursuant to our 2000 Plan and our 2009 Plan at a weighted average exercise price of $2.85 per share;
- 3,266 shares of common stock issuable upon the settlement of restricted stock units as of September 30, 2013 pursuant to our 2009 Plan;
- shares of common stock issuable upon the exercise of outstanding stock options issued after September 30, 2013 pursuant to our 2009 Plan at a weighted average exercise price of $;
- shares of common stock reserved for future issuance under our 2009 Plan, as amended in connection with this offering, as well as any automatic increases in the number of shares of common stock reserved for future issuance under this benefit plan; and
- shares of common stock to be reserved for issuance under our ESPP, to be effective in connection with this offering, as well as any automatic increases in the number of shares of common stock reserved for future issuance under this benefit plan.

DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering. The pro forma net tangible book value of our common stock as of September 30, 2013 was $(671.0) million, or $(25.39) per share. Pro forma net tangible book value per share represents our total tangible assets less our total liabilities, divided by the number of outstanding shares of common stock, after giving effect to the conversion of all outstanding shares of preferred stock into 19,032,854 shares of common stock immediately prior to the closing of this offering.

After giving effect to (i) the conversion of all outstanding shares of preferred stock into 19,032,854 shares of common stock immediately prior to the closing of this offering, (ii) receipt of the net proceeds from our sale of shares of common stock at an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and (iii) the application of $200 million of the net proceeds of this offering to repay amounts outstanding under our credit facilities, our pro forma as adjusted net tangible book value as of September 30, 2013 would have been approximately $ million, or $ per share. This represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to our existing stockholders and an immediate dilution of $ per share to investors purchasing common stock in this offering.

The following table illustrates this dilution on a per share basis to new investors:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of September 30, 2013	$(25.39)	
Increase in pro forma net tangible book value per share attributable to new investors purchasing shares in this offering		
Pro forma as adjusted net tangible book value per share after giving effect to this offering		
Dilution in pro forma net tangible book value per share to new investors in this offering		$

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the pro forma net tangible book value, as adjusted to give effect to this offering, by $ per share and the dilution to new investors by $ per share, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of common stock offered by us would increase (decrease) the pro forma net tangible book value, as adjusted to give effect to this offering, by approximately $ per share and the dilution to new investors by $ per share, assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions. If the underwriters exercise their option to purchase additional shares of common stock in full, the pro forma net tangible book value per share, as adjusted to give effect to this offering, would be $ per share, and the dilution in pro forma net tangible book value per share to investors in this offering would be $ per share.

The table below summarizes as of September 30, 2013, on a pro forma as adjusted basis described above, the number of shares of our common stock, the total consideration and the average price per share (i) paid to us by our existing stockholders and (ii) to be paid by new investors purchasing our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	26,449,910	%	$	%	$
New investors		%	$	%	$
Totals		100.0%		$ 100.0%	

The total number of shares of our common stock reflected in the discussion and tables above is based on 26,449,910 shares of our common stock (including preferred stock on an as-converted basis) outstanding as of September 30, 2013, and excludes:

- 3,343,372 shares of common stock issuable upon the exercise of outstanding stock options as of September 30, 2013 pursuant to our 2000 Plan and our 2009 Plan at a weighted average exercise price of $2.85 per share;
- 3,266 shares of common stock issuable upon the settlement of restricted stock units as of September 30, 2013 pursuant to our 2009 Plan;
- shares of common stock issuable upon the exercise of outstanding stock options issued after September 30, 2013 pursuant to our 2009 Plan at a weighted average exercise price of $;
- shares of common stock reserved for future issuance under our 2009 Plan, as amended in connection with this offering, as well as any automatic increases in the number of shares of common stock reserved for future issuance under this benefit plan; and
- shares of common stock to be reserved for issuance under our ESPP, to be effective in connection with this offering, as well as any automatic increases in the number of shares of common stock reserved for future issuance under this benefit plan.

Sales by the selling stockholders in this offering will cause the number of shares held by existing stockholders to be reduced to shares, or % of the total number of shares of our common stock outstanding after this offering, and will increase the number of shares held by new investors to shares, or % of the total number of shares outstanding after this offering.

To the extent that any outstanding options are exercised, new options are issued under our stock-based compensation plans or we issue additional shares of common stock in the future, there will be further dilution to investors participating in this offering. If all outstanding options under our 2009 Plan as of September 30, 2013 were exercised, then our existing stockholders, including the holders of these options, would own % and our new investors would own % of the total number of shares of our common stock outstanding upon the closing of this offering.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following selected consolidated financial and other data should be read in conjunction with the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as our audited consolidated financial statements and related notes included elsewhere in this prospectus. We have derived the consolidated statement of operations data for the years ended December 31, 2010, 2011 and 2012 and the consolidated balance sheet data as of December 31, 2011 and 2012 from our audited consolidated financial statements that are included elsewhere in this prospectus. We have derived the consolidated statement of operations data for the years ended December 31, 2008 and 2009 and consolidated balance sheet data as of December 31, 2008, 2009 and 2010 from our audited consolidated financial statements that are not included in this prospectus. We have derived the unaudited consolidated statement of operations data for the nine months ended September 30, 2012 and 2013 and the unaudited consolidated balance sheet data as of September 30, 2013 from our unaudited consolidated financial statements that are included elsewhere in this prospectus. Our unaudited consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of management, reflect all adjustments, which consist only of normal recurring adjustments, necessary for the fair statement of those unaudited consolidated financial statements. Our historical results are not necessarily indicative of the results to be expected in the future, and our interim results are not necessarily indicative of the results that should be expected for the full year or any other period.

	Year Ended December 31,					Nine Months Ended September 30,	
	2008	2009	2010	2011	2012	2012	2013
	(in thousands, except share and per share data)						
Consolidated Statement of Operations Data:							
Professional service revenues	$ 61,527	$ 112,187	$ 139,495	$ 113,279	$ 148,233	$ 94,892	$ 195,642
Insurance service revenues	356,037	607,196	766,695	727,111	870,828	601,967	959,246
Total revenues	417,564	719,383	906,190	840,390	1,019,061	696,859	1,154,888
Costs and operating expenses:							
Insurance costs	314,199	554,660	713,653	651,094	750,025	518,386	858,862
Cost of providing services (exclusive of depreciation and amortization of intangible assets) (1)	33,820	57,957	72,073	59,388	63,563	44,944	74,042
Sales and marketing (1)	24,316	37,173	46,454	38,087	59,931	39,377	79,387
General and administrative (1)	14,691	37,287	28,366	31,421	37,879	24,147	39,821
Systems development and programming costs (1)	7,173	9,850	15,045	15,646	16,718	11,893	15,140
Amortization of intangible assets	1,819	12,223	17,960	12,388	17,441	7,853	35,926
Depreciation	4,045	11,301	12,042	9,201	11,676	9,100	8,908
Restructuring	—	6,202	5,922	2,358	—	—	—
Total costs and operating expenses	400,063	726,653	911,515	819,583	957,233	655,700	1,112,086
Operating income (loss)	17,501	(7,270)	(5,325)	20,807	61,828	41,159	42,802
Other income (expense):							
Interest expense	(894)	(3,681)	(4,444)	(751)	(9,709)	(2,835)	(32,091)
Other, net	(70)	(6)	67	127	57	22	309
Gain from acquisition	—	23,350	—	—	—	—	—
Income (loss) before provision for (benefit from) income taxes	16,537	12,393	(9,702)	20,183	52,176	38,346	11,020
Provision for (benefit from) income taxes	7,078	(5,425)	(100)	4,646	20,344	15,386	3,880
Net income (loss)	$ 9,459	$ 17,818	$ (9,602)	15,537	$ 31,832	$ 22,960	$ 7,140
Net income (loss) per share attributable to common stock:							
Basic	$ 0.65	$ 0.78	$ (2.58)	$ 0.68	$ 1.33	$ 0.97	$ 0.29
Diluted	$ 0.62	$ 0.76	$ (2.58)	$ 0.65	$ 1.26	$ 0.92	$ 0.27
Weighted average common stock outstanding:							
Basic	3,702,284	3,683,188	3,727,195	3,921,341	4,902,692	4,728,686	5,750,789
Diluted	4,490,190	4,507,563	3,727,195	5,051,990	6,238,046	6,002,628	7,598,197
Pro forma net income (loss) per share:							
Basic					$ 1.33		$ 0.29
Diluted					$ 1.26		$ 0.27
Pro forma weighted average common stock outstanding:							
Basic					23,935,546		24,783,643
Diluted					25,270,900		26,631,051

	Year Ended December 31,					Nine Months Ended September 30,	
	2008	2009	2010	2011	2012	2012	2013
				(in thousands)			
Other Financial Data:							
Net Insurance Service Revenues [2]	$ 41,838	$ 52,536	$ 53,042	$ 76,017	$120,803	$ 83,581	$100,384
Net Service Revenues [3]	$103,365	$164,723	$192,537	$189,296	$269,036	$178,473	$296,026
Adjusted EBITDA [4]	$ 26,520	$ 20,174	$ 29,797	$ 47,348	$ 95,362	$ 61,530	$ 92,305
Adjusted Net Income [5]	$ 12,344	$ 15,354	$ 13,174	$ 28,788	$ 45,133	$ 29,695	$ 33,242

(1) Includes stock-based compensation expense as follows:

	Year Ended December 31,					Nine Months Ended September 30,	
	2008	2009	2010	2011	2012	2012	2013
				(in thousands)			
Cost of providing services (exclusive of depreciation and amortization of intangible assets)	$ 354	$ 318	$ 467	438	$ 516	$ 382	$ 770
Sales and marketing	359	486	670	637	500	364	882
General and administrative	2,306	2,868	3,385	3,590	3,144	2,505	2,371
Systems development and programming costs	206	254	531	160	200	145	337
Total stock-based compensation expense	$3,225	$3,926	$5,053	$4,825	$4,360	$ 3,396	$ 4,360

(2) Net Insurance Service Revenues is a non-GAAP financial measure that we calculate as insurance service revenues less insurance costs. For more information about Net Insurance Service Revenues and a reconciliation of Net Insurance Service Revenues to insurance service revenues, the most directly comparable financial measure calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Results."

(3) Net Service Revenues is a non-GAAP financial measure that we calculate as the sum of professional service revenues and Net Insurance Service Revenues. For more information about Net Service Revenues and a reconciliation of Net Service Revenues to total revenues, the most directly comparable financial measure calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Results."

(4) Adjusted EBITDA is a non-GAAP financial measure that we calculate as net income (loss), excluding the effects of our income tax provision (benefit), interest expense, depreciation, amortization of intangible assets and stock-based compensation expense. For 2009, we also excluded gain associated with our acquisition of Gevity. For more information about Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Results."

(5) Adjusted Net Income is a non-GAAP financial measure that we calculate as net income (loss), excluding the effects of stock-based compensation, amortization of intangible assets and the income tax effect of these pre-tax adjustments at our effective tax rate. For 2009, we also excluded the gain associated with our acquisition of Gevity and the income tax effects of this pre-tax adjustment at our effective tax rate. For more information about Adjusted Net Income and a reconciliation of Adjusted Net Income to net income (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Results."

	As of December 31,					As of September 30,
	2008	2009	2010	2011	2012	2013
				(in thousands)		
Consolidated Balance Sheet Data:						
Cash and cash equivalents	$ 28,834	$ 37,742	$ 45,535	$ 31,620	$ 63,749	$ 112,161
Working capital	$ 21,173	$ 37,604	$ 44,280	$ 26,424	$ 27,380	$ 85,541
Total assets	$142,354	$390,274	$339,964	$335,369	$887,727	$1,215,597
Notes payable and borrowings under capital leases	$ 11,930	$ 55,008	$ 1,798	$ 1,683	$301,334	$ 820,610
Total liabilities	$ 95,455	$258,017	$214,190	$241,771	$830,407	$1,448,163
Convertible preferred stock	$ 59,059	$122,878	$122,878	$122,878	$122,878	$ 122,878
Total stockholders' equity (deficit)	$ (12,160)	$ $9,379	$ 2,896	$ (29,280)	$ (65,558)	$ (355,444)

Non-GAAP Financial Results

We use Net Insurance Service Revenues, Net Service Revenues, Adjusted EBITDA and Adjusted Net Income to provide an additional view of our operational performance. Net Insurance Service Revenues, Net Service Revenues, Adjusted EBITDA and Adjusted Net Income are financial measures that are not prepared in accordance with GAAP. We define Net Insurance Service Revenues as insurance service revenues less insurance costs, which include the premiums we pay to insurance carriers for the health and workers compensation insurance coverage provided to our clients and WSEs and the reimbursements we pay to the insurance carriers for claim payments within our insurance deductible layer. We define Net Service Revenues as the sum of professional service revenues and Net Insurance Service Revenues. We define Adjusted EBITDA as net income (loss), excluding the effects of our income tax provision (benefit), interest expense, depreciation, amortization of intangible assets and stock-based compensation expense. We define Adjusted Net Income as net income (loss), excluding the effects of stock-based compensation, amortization of intangible assets and the income tax effect of these pre-tax adjustments at our effective tax rate. For 2009, we also excluded the gain associated with our acquisition of Gevity from Adjusted EBITDA and Adjusted Net Income, and excluded the income tax effect of this pre-tax adjustment at our effective tax rate from Adjusted Net Income, as we consider these to be non-recurring items.

We believe that the use of Net Insurance Service Revenues provides useful information as it presents a measure of revenues from our provision of insurance services to our clients that eliminates the cost of insurance. We believe that Net Service Revenues provides a useful measure of total revenues for the two main components of our revenues calculated on a consistent basis. We believe that the use of Adjusted EBITDA and Adjusted Net Income provides additional period-to-period comparisons and analysis of trends in our business, as they exclude certain one-time and non-cash expenses. We believe that Net Insurance Service Revenues, Net Service Revenues, Adjusted EBITDA and Adjusted Net Income are useful for our stockholders and board of directors by helping them to identify trends in our business and understand how our management evaluates our business. We use Net Insurance Service Revenues, Net Service Revenues, Adjusted EBITDA and Adjusted Net Income to monitor and evaluate our operating results and trends on an ongoing basis and internally for operating, budgeting and financial planning purposes, in addition to allocating our resources to enhance the financial performance of our business and evaluating the effectiveness of our business strategies. We also use Net Service Revenues and Adjusted EBITDA in determining the incentive compensation for management.

Net Insurance Service Revenues, Net Service Revenues, Adjusted EBITDA and Adjusted Net Income are not prepared in accordance with, and should not be considered in isolation of, or as an alternative to, measurements required by GAAP. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. As non-GAAP measures, Net Insurance Service Revenues, Net Service Revenues, Adjusted EBITDA and Adjusted Net Income have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP. In particular:

- Net Insurance Service Revenues and Net Service Revenues are reduced by the insurance costs that we pay to the insurance carriers;
- Adjusted EBITDA does not reflect interest expense, or the cash requirements necessary to service interest or principal payments on our debt;
- Adjusted EBITDA does not reflect the amounts we paid in taxes or other components of our tax provision;
- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA and Adjusted Net Income do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA and Adjusted Net Income do not reflect the non-cash component of employee compensation;

- Although depreciation and amortization of intangible assets are non-cash charges, the assets being depreciated and amortized often will have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in our industry may calculate Net Insurance Service Revenues, Net Service Revenues, Adjusted EBITDA and Adjusted Net Income differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, you should consider Net Insurance Service Revenues, Net Service Revenues, Adjusted EBITDA and Adjusted Net Income alongside other financial performance measures, including total revenues, net income (loss) and our financial results presented in accordance with GAAP.

The table below sets forth a reconciliation of GAAP insurance service revenues to Net Insurance Service Revenues:

	Year Ended December 31,					Nine Months Ended September 30,	
	2008	2009	2010	2011	2012	2012	2013
				(in thousands)			
Insurance service revenues	$356,037	$607,196	$766,695	$727,111	$870,828	$601,967	$959,246
Less: insurance costs	314,199	554,660	713,653	651,094	750,025	518,386	858,862
Net Insurance Service Revenues	$ 41,838	$ 52,536	$ 53,042	$ 76,017	$120,803	$ 83,581	$100,384

The table below sets forth a reconciliation of GAAP total revenues to Net Service Revenues:

	Year Ended December 31,					Nine Months Ended September 30,	
	2008	2009	2010	2011	2012	2012	2013
				(in thousands)			
Total revenues	$417,564	$719,383	$906,190	$840,390	$1,019,061	$696,859	$1,154,888
Less: insurance costs	314,199	554,660	713,653	651,094	750,025	518,386	858,862
Net Service Revenues	$103,365	$164,723	$192,537	$189,296	$ 269,036	$178,473	$ 296,026

The table below sets forth a reconciliation of GAAP net income (loss) to Adjusted EBITDA:

	Year Ended December 31,					Nine Months Ended September 30,	
	2008	2009	2010	2011	2012	2012	2013
				(in thousands)			
Net income (loss)	$ 9,459	$ 17,818	$ (9,602)	$15,537	$31,832	$22,960	$ 7,140
Provision for (benefit from) income taxes	7,078	(5,425)	(100)	4,646	20,344	15,386	3,880
Stock-based compensation	3,225	3,926	5,053	4,825	4,360	3,396	4,360
Interest expense	894	3,681	4,444	751	9,709	2,835	32,091
Depreciation	4,045	11,301	12,042	9,201	11,676	9,100	8,908
Amortization of intangible assets	1,819	12,223	17,960	12,388	17,441	7,853	35,926
Gain from acquisition	—	(23,350)	—	—	—	—	—
Adjusted EBITDA	$26,520	$ 20,174	$29,797	$47,348	$95,362	$61,530	$92,305

The table below sets forth a reconciliation of GAAP net income (loss) to Adjusted Net Income:

	Year Ended December 31,					Nine Months Ended September 30,	
	2008	2009	2010	2011	2012	2012	2013
				(in thousands)			
Net income (loss)	$ 9,459	$ 17,818	$ (9,602)	$15,537	$31,832	$22,960	$ 7,140
Stock-based compensation	3,225	3,926	5,053	4,825	4,360	3,396	4,360
Amortization of intangible assets	1,819	12,223	17,960	12,388	17,441	7,853	35,926
Gain from acquisition	—	(23,350)	—	—	—	—	—
Income tax impact of pre-tax adjustments at the effective tax rate	(2,159)	4,737	(237)	(3,962)	(8,500)	(4,514)	(14,184)
Adjusted Net Income	$12,344	$ 15,354	$13,174	$28,788	$45,133	$29,695	$ 33,242

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this prospectus. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in the section titled "Risk Factors."

Overview

TriNet is a leading provider of a comprehensive human resources solution for small to medium-sized businesses, or SMBs. We enhance business productivity by enabling our clients to outsource their HR function to one strategic partner and allowing them to focus on operating and growing their core businesses. Our HR solution includes services such as payroll processing, human capital consulting, employment law compliance and employee benefits, including health insurance, retirement plans and workers compensation insurance. Our services are delivered by our expert team of HR professionals and enabled by our proprietary, cloud-based technology platform, which allows our clients and their employees to efficiently conduct their HR transactions anytime and anywhere.

We utilize a co-employment model pursuant to which both we and our clients become employers of our clients' employees, which we refer to as worksite employees, or WSEs. This model affords us a close and embedded relationship with our clients and their employees. Under the co-employment model, employment-related liabilities are contractually allocated between us and our clients. We assume responsibility for, and manage the risks associated with, each clients' employee payroll obligations, including the liability for payment of salaries and wages to each client employee, the payment of payroll taxes and, at the client's option, responsibility for providing group health, welfare, workers compensation and retirement benefits to such individuals. Unlike a payroll service provider, we issue each WSE a payroll check drawn on our bank accounts and contract with insurance carriers to provide health and workers compensation insurance to WSEs under TriNet's name.

We serve thousands of clients in specific industry vertical markets, including technology, life sciences, property management, professional services, banking and financial services, retail, manufacturing and hospitality services, as well as non-profit entities. As of September 30, 2013, we served over 8,000 clients in 47 states, the District of Columbia and Canada states and co-employed approximately 218,000 WSEs. In 2012, we processed over $10 billion in payroll and health insurance premiums for our clients.

Our total revenues consist of professional service revenues and insurance service revenues. For 2012 and the nine months ended September 30, 2013, 15% and 17% of our total revenues, respectively, consisted of professional service revenues, and 85% and 83% of our total revenues, respectively, consisted of insurance service revenues. We earn professional service revenues by processing HR transactions, such as payroll and employment tax withholding, and providing labor and benefit law compliance services, on behalf of our clients. We earn insurance service revenues by providing risk-based, third-party plans to our clients, primarily employee health benefit plans and workers compensation insurance.

For professional service revenues, we recognize as revenues the fees we earn for processing HR transactions, which fees do not include the payroll that is paid to us by the client and paid out to WSEs or remitted as taxes. We recognize as insurance service revenues all insurance-related billings and administrative fees collected from clients and withheld from WSEs for risk-based insurance plans provided through third-party insurance carriers, primarily employee health insurance and workers compensation insurance. We in turn pay premiums to third-party insurance carriers for these insurance benefits, as well as reimburse them for claim payments within our insurance deductible layer. These premiums and reimbursements are classified as insurance costs on our statements of operations. To augment our financial information prepared in accordance with U.S. generally accepted accounting principles, or GAAP, we use internally a non-GAAP financial measure, Net Insurance Service Revenues, which consists of insurance service revenues less insurance costs. We also use a

measure of total non-GAAP revenue, or Net Service Revenues, which is the sum of professional service revenues and Net Insurance Service Revenues. For 2012 and the nine months ended September 30, 2013, 55% and 66% of our Net Service Revenues, respectively, consisted of professional service revenues and 45% and 34% of our Net Service Revenues, respectively, consisted of Net Insurance Service Revenues.

We sell our services primarily through our direct sales force, which consists of sales representatives who focus on serving clients in specific industry vertical markets. For 2010, 2011 and 2012, our sales and marketing expenses were $46.5 million, $38.1 million and $59.9 million, respectively, or 5%, 5% and 6% of our total revenues and 24%, 20% and 22% of our Net Service Revenues, respectively. For the nine months ended September 30, 2012 and 2013, our sales and marketing expenses were $39.4 million and $79.4 million, or 6% and 7% of our total revenues and 22% and 27% of our Net Service Revenues, respectively.

We have made significant investments in our proprietary, cloud-based technology platform, including implementing client information and management software to provide our clients with enhanced features and functionality with which to conduct their HR transactions, manage their employees and analyze employee benefits data. For 2010, 2011 and 2012, our systems development and programming costs were $15.0 million, $15.6 million and $16.7 million, or 2%, 2% and 2% of our total revenues and 8%, 8% and 6% of our Net Service Revenues, respectively. For the nine months ended September 30, 2012 and 2013, our systems development and programming costs were $11.9 million and $15.1 million, or 2% and 1% of our total revenues and 7% and 5% of Net Service Revenues, respectively.

Recent Acquisitions

We operate in a highly fragmented industry and have completed numerous strategic acquisitions over the course of the past decade. We intend to continue to pursue strategic acquisitions that will enable us to add new clients and employees to our existing business and offer our clients and their employees more comprehensive and attractive services. Our recent acquisitions are listed below:

- In July 2013, we acquired Ambrose Employer Group, LLC, which we refer to as Ambrose, a New York-based company that provides premium HR services primarily to WSEs in the financial services industry in the New York area. Through our acquisition of Ambrose, we acquired approximately 13,000 WSEs, approximately 1,000 clients and 12 sales representatives.
- In October 2012, we acquired South Carolina-based SOI Holdings, Inc., which we refer to as SOI, which expanded our presence in the property management and food services industry vertical markets. Through our acquisition of SOI, we acquired approximately 66,000 WSEs, approximately 1,500 clients and 92 sales representatives.
- In May 2012, we acquired Los Angeles-based technology company App7, Inc., which does business under the name of, and which we refer to as, ExpenseCloud, which enabled us to enhance our technology platform with additional expense management capabilities.
- In April 2012, we acquired Oklahoma-based 210 Park Avenue Holding, Inc., which does business under the name of, and which we refer to as, Accord, through which we expanded our presence in the hospitality and manufacturing industry vertical markets. Through our acquisition of Accord, we acquired approximately 14,000 WSEs, approximately 500 clients and 8 sales representatives.
- In June 2009, we acquired Florida-based Gevity HR Inc., which we refer to as Gevity, which has provided us with insurance and risk-management expertise and a national presence through its East Coast processing facility. Through our acquisition of Gevity, we acquired approximately 92,000 WSEs and approximately 6,000 clients. Following our acquisition of Gevity, we elected to change the pricing terms with certain of Gevity's clients, terminate Gevity's relationships with certain of its clients, significantly restructure Gevity's and our combined sales forces and migrate all of Gevity's WSEs to our technology platform. As a result of these actions, our revenues fell short of our expectations in 2010 and declined in 2011, and we incurred restructuring charges of $6.2 million, $5.9 million and $2.4 million in the years ended December 31, 2009, 2010 and 2011, respectively.

Key Operating Metrics

We regularly review certain key operating metrics to evaluate growth trends, measure our performance and make strategic decisions. Our key operating metrics at December 31, 2010, 2011 and 2012 and at September 30, 2012 and 2013 were as follows:

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
Key Operating Metrics:					
Total WSEs	96,816	83,314	174,311	104,747	218,069
Total Sales Representatives	114	80	224	149	301
Net Insurance Service Revenues (in thousands)	$ 53,042	$ 76,017	$120,803	$ 83,581	$100,384
Net Service Revenues (in thousands)	$192,537	$189,296	$269,036	$178,473	$296,026

Total WSEs

We define Total WSEs at the end of a given fiscal period as the total number of WSEs paid in the last calendar month of the fiscal period. We believe that comparing our Total WSEs at the end of a fiscal period to that of prior periods is an indicator of our success in growing our business, both organically and through the integration of acquired businesses, and retaining clients, and that our Total WSEs paid in the last calendar month of the fiscal period is a leading indicator of our anticipated revenues for future fiscal periods.

Total Sales Representatives

Our direct sales force consists of sales representatives who focus on serving clients in specific industry vertical markets. We define Total Sales Representatives at the end of a given fiscal period as the total number of our direct sales force employees at that date. We believe that comparing our Total Sales Representatives at the end of a fiscal period to our Total Sales Representatives at the end of a prior fiscal period is an indicator of our success in growing our business, and that our Total Sales Representatives at the end of recent fiscal periods is a key indicator of our ability to increase our revenues in the following fiscal periods.

Net Insurance Service Revenues and Net Service Revenues

We define Net Insurance Service Revenues as insurance service revenues less insurance costs. We define Net Service Revenues as the sum of professional service revenues and Net Insurance Service Revenues. Our total revenues on a GAAP basis represent the total amount invoiced by us to our clients, net of direct pass-through costs such as payroll and payroll tax payments, for the services we provide to our clients. Our insurance costs include the premiums we pay to insurance carriers for the health and workers compensation insurance coverage provided to our clients and WSEs and the reimbursements we pay to the insurance carriers for claim payments within our insurance deductible layer. We act principally as the service provider to add value in the execution and procurement of these services to our clients. Net Insurance Service Revenues is the primary indicator of our ability to source, add value and offer benefit services to WSEs through third-party insurance carriers, and is considered by management to be a key performance measure. We believe that Net Service Revenues is also a key performance measure as it provides a useful measure of total revenues for the two main components of our revenues calculated on a consistent basis. In addition, management believes measuring operating costs as a function of Net Service Revenues provides a useful metric, as we believe it enables better evaluation of the performance of our business.

Seasonality

Historically, we have experienced our highest monthly addition of WSEs, as well as our highest monthly levels of client attrition, in the month of January, primarily because clients that change their payroll service providers tend to do so at the beginning of a calendar year. In addition, we experience higher levels of client attrition in connection with renewals of the health insurance we provide for our WSEs, in the event that such renewals result in increased premiums that we pass on to our clients. We have also historically experienced higher insurance claim volumes in the second and third quarters of a fiscal year than in the first and fourth quarters of a fiscal year, as WSEs typically

access their health care providers more often in the second and third quarters of a fiscal year, which has negatively impacted our insurance costs in these quarters. These historical trends may change, and other seasonal trends may develop that make it more difficult for us to manage our business.

Basis of Presentation and Key Components of Our Results of Operations

Total Revenues

Our total revenues consist of professional service revenues and insurance service revenues.

We earn professional service revenues by processing HR transactions, such as payroll and employment tax withholding, payment to WSEs, and labor and benefit law compliance, on behalf of our clients. Our clients pay us these fees based on either a fixed fee per WSE per month or per transaction, or a percentage of the WSE's payroll cost, pursuant to written professional services agreements that are generally cancelable by us or our clients upon 30 days' prior written notice. We also earn professional service revenues by providing strategic HR services to our clients, such as talent acquisition, performance management and time and expense reporting services. Our clients pay us professional service fees for these services based on separate written agreements.

We earn insurance service revenues by providing risk-based, third-party plans to our clients, primarily employee health benefit plans and workers compensation insurance. Insurance service revenues consist of insurance-related billings and administrative fees. We recognize as insurance service revenues insurance-related billings and administrative fees collected from clients and withheld from WSEs for risk-based insurance plans provided through third-party insurance carriers, primarily employee health insurance and workers compensation insurance. We in turn pay premiums to third-party insurance carriers for these insurance benefits, as well as reimburse them for claim payments within our insurance deductible layer. These premiums and reimbursements are classified as insurance costs on our statements of operations.

Our clients pay us administrative fees, typically based on a percentage of insurance-related amounts, collected from clients and withheld from WSEs, primarily in exchange for our administration of employee health benefit plans.

Insurance Costs

Insurance costs include the premiums we pay to the insurance carriers for the health and workers compensation insurance coverage provided to the clients and WSEs and the reimbursements we pay to the insurance carriers for claim payments made to the WSEs within the insurance deductible layer.

Our insurance costs are, in part, a function of the type and terms of agreements that we enter into with the insurance carriers that provide fully-insured coverage for our WSEs. We estimate that approximately 40% of our 2013 health insurance premiums are for policies with respect to which our carriers set the premiums and we are not responsible for any deductible. Our future premiums under these, or ensuing, policies will be influenced by the WSE claims activity in prior periods. The remainder of the health insurance policies and all of the workers compensation insurance policies that we provide to our clients are policies with respect to which we agree to reimburse our carriers for any claims that they pay within our deductible layer. Under these policies, WSEs file claims with the carriers, which are responsible for paying the claims up to the maximum coverage under the policies. The carriers then seek reimbursement from us up to our deductible per incident for workers compensation claims, or up to a cap for health insurance claims in accordance with the terms of the underlying health insurance policies. In no event are we liable to pay the claims directly to WSEs. As we evaluate the claims experience for each fiscal period, we adjust, as we deem necessary, our workers compensation and health benefits reserves, and this in turn has a corresponding impact on our insurance costs. As a result, our insurance costs fluctuate from period to period depending on the number and severity of the claims incurred by our WSEs.

Cost of Providing Services

Cost of providing services consists primarily of costs incurred by us associated with direct customer support, such as payroll and benefits processing, professional HR consultants, employee liability insurance and

costs associated with defending clients in employment-related legal claims, benefits and risk management, postage and shipping expenses and consulting expenses.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of salaries, commissions and related variable compensation expenses, commission payments to partners and the cost of marketing programs. Marketing programs consist of advertising, lead generation, marketing events, corporate communications, brand building and product marketing activities, as well as various incentivized partnership and referral programs. We expect our sales and marketing expenses to continue to increase, both in absolute dollars and as a percentage of our total revenues on an annual basis, for the foreseeable future as we expand our sales force and our other sales and marketing efforts to build our brand, although these expenses may fluctuate as a percentage of our total revenues from period to period depending on the timing of those expenses.

General and Administrative Expenses

General and administrative expenses consist primarily of compensation-related expenses, legal and other professional services fees and other general corporate expenses. We expect our general and administrative expenses to continue to increase in absolute dollars for the foreseeable future due to increases in our legal and financial compliance costs in connection with becoming a public company, although these expenses may fluctuate as a percentage of our total revenues from period to period depending on the timing of those expenses.

Systems Development and Programming Costs

Systems development and programming costs consist primarily of compensation-related expenses for our employees and contractors dedicated to systems development and programming, as well as fees that we pay to third-party consulting firms. We expect our systems development and programming costs to continue to increase modestly in absolute dollars for the foreseeable future as we continue to invest in and improve our technology platform. However, over time, we expect our systems development and programming costs to remain relatively consistent as a percentage of our total revenues on an annual basis, although these costs may fluctuate as a percentage of our total revenues from period to period depending on when we incur those costs.

Amortization of Intangible Assets

Amortization of intangible assets represents costs associated with an acquired company's developed technologies, client lists, trade names and contractual agreements. We amortize these intangibles over their respective estimated useful lives using either the straight-line method or the accelerated method.

Depreciation

Depreciation consists primarily of amortization of the cost of software and furniture, fixtures and equipment.

Restructuring

Restructuring costs consist of severance and placement costs, lease termination costs and other exit costs associated with the restructuring described in "—Recent Acquisitions" above.

Other Income (Expense)

Other income (expense) consists primarily of interest expense under our credit facility and capital leases.

Provision for (Benefit from) Income Taxes

We are subject to taxation in the United States and Canada. However, we conduct our business primarily in the United States. Our effective tax rate differs from the statutory rate primarily due to state taxes, tax credits and

changes in uncertain tax positions. We make estimates and judgments about our future taxable income based on assumptions that are consistent with our plans and estimates. Should the actual amounts differ from our estimates, the amount of our valuation allowance could be materially affected.

Income taxes are computed using the asset and liability method, under which deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Changes in valuation allowances are reflected as a component of provision for (benefit from) income taxes.

Results of Operations

The following tables set forth our results of operations for the periods presented and as a percentage of our total revenues and Net Service Revenues for those periods. Period-to-period comparisons of our financial results are not necessarily indicative of financial results to be achieved in future periods.

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
			(in thousands)		
Consolidated Statement of Operations:					
Professional service revenues	$139,495	$113,279	$ 148,233	$ 94,892	$ 195,642
Insurance service revenues	766,695	727,111	870,828	601,967	959,246
Total revenues	906,190	840,390	1,019,061	696,859	1,154,888
Costs and operating expenses:					
Insurance costs	713,653	651,094	750,025	518,386	858,862
Cost of providing services (exclusive of depreciation and amortization of intangible assets)	72,073	59,388	63,563	44,944	74,042
Sales and marketing	46,454	38,087	59,931	39,377	79,387
General and administrative	28,366	31,421	37,879	24,147	39,821
Systems development and programming costs	15,045	15,646	16,718	11,893	15,140
Amortization of intangible assets	17,960	12,388	17,441	7,853	35,926
Depreciation	12,042	9,201	11,676	9,100	8,908
Restructuring	5,922	2,358	—	—	—
Total costs and operating expenses	911,515	819,583	957,233	655,700	1,112,086
Operating income (loss)	(5,325)	20,807	61,828	41,159	42,802
Other income (expense):					
Interest expense	(4,444)	(751)	(9,709)	(2,835)	(32,091)
Other, net	67	127	57	22	309
Income (loss) before provision for (benefit from) income taxes	(9,702)	20,183	52,176	38,346	11,020
Provision for (benefit from) income taxes	(100)	4,646	20,344	15,386	3,880
Net income (loss)	$ (9,602)	$ 15,537	$ 31,832	$ 22,960	$ 7,140

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
	(as a percentage of total revenues)				
Professional service revenues	15%	13%	15%	14%	17%
Insurance service revenues	85	87	85	86	83
Total revenues	100%	100%	100%	100%	100%
Costs and operating expenses:					
Insurance costs	79	77	74	74	74
Cost of providing services (exclusive of depreciation and amortization of intangible assets)	8	7	6	6	6
Sales and marketing	5	5	6	6	7
General and administrative	3	4	4	3	3
Systems development and programming costs	2	2	2	2	1
Amortization of intangible assets	2	1	2	1	3
Depreciation	1	1	1	1	1
Restructuring	1	—	—	—	—
Total costs and operating expenses	101	98	94	94	96
Operating income (loss)	(1)	2	6	6	4
Other income (expense):					
Interest expense	—	—	(1)	—	(3)
Other, net	—	—	—	—	—
Income (loss) before provision for (benefit from) income taxes	(1)	2	5	6	1
Provision for (benefit from) income taxes	—	1	2	2	—
Net income (loss)	(1)%	2%	3%	3%	1%

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
	(as a percentage of Net Service Revenues)				
Professional service revenues	72%	60%	55%	53%	66%
Net Insurance Service Revenues	28	40	45	47	34
Net Service Revenues	100%	100%	100%	100%	100%
Other operating expenses:					
Cost of providing services (exclusive of depreciation and amortization of intangible assets)	37	31	24	25	25
Sales and marketing	24	20	22	22	27
General and administrative	15	17	14	14	13
Systems development and programming costs	8	8	6	7	5
Amortization of intangible assets .	9	7	6	4	12
Depreciation	6	5	4	5	3
Restructuring	3	1	—	—	—
Total other operating expenses	103	89	77	77	86
Operating income (loss)	(3)	11	23	23	14
Other income (expense):					
Interest expense	(2)	—	(4)	(2)	(11)
Other, net	—	—	—	—	—
Income (loss) before provision for (benefit from) income taxes	(5)	11	19	21	4
Provision for (benefit from) income taxes	—	2	8	9	1
Net income (loss)	(5)%	8%	12%	13%	2%

Nine Months Ended September 30, 2012 and 2013

Total Revenues

	Nine Months Ended September 30,		Change 2013 vs. 2012	
	2012	2013	$	%
	(in thousands, except percentages)			
Professional service revenues	$ 94,892	$ 195,642	$100,750	106%
Insurance service revenues	601,967	959,246	357,279	59%
Total revenues	$696,859	$1,154,888	$458,029	66%

	Nine Months Ended September 30,		Change 2013 vs. 2012	
	2012	2013	#	%
Key operating metrics:				
Total WSEs	104,747	218,069	113,322	108%
Total Sales Representatives	149	301	152	102%

Total revenues for the nine months ended September 30, 2013 increased $458.0 million, or 66%, compared to the same period in 2012. Professional service revenues for the nine months ended September 30, 2013 increased $100.8 million, or 106%, compared to the same period in 2012. Of this amount, $76.8 million was attributable to our acquisitions of SOI, Ambrose and Accord. The remaining growth was primarily due to a 22% increase in Total WSEs (excluding WSEs added as a result of our acquisitions of SOI and Ambrose) and a 6% increase in average professional service revenues per WSE other than those acquired from SOI and Ambrose.

Insurance service revenues for the nine months ended September 30, 2013 increased by $357.2 million, or 59%, compared to the same period in 2012 primarily due to $219.9 million from our acquisitions of SOI, Ambrose and Accord, an increase in Total WSEs other than those acquired from SOI and Ambrose, and a 2% increase in average insurance service revenues per WSE other than those acquired from SOI and Ambrose.

Total WSEs at September 30, 2013 increased by approximately 113,000, or 108%, compared to Total WSEs at September 30, 2012, with approximately 81,000 of such increase due to the SOI and Ambrose acquisition. The remaining growth in Total WSEs was primarily driven by a net increase in total clients other than those acquired from SOI and Ambrose. Our Total Sales Representatives increased from 149 at September 30, 2012 to 301 at September 30, 2013, 104 of which we acquired from SOI and Ambrose.

Insurance Costs

	Nine Months Ended September 30,		Change 2013 vs. 2012	
	2012	2103	$	%
	(in thousands, except percentage)			
Insurance costs	$518,386	$858,862	$340,476	66%

Insurance costs increased $340.5 million, or 66%, compared to the same period in 2012, primarily due to $219.4 million from our acquisitions of SOI, Ambrose and Accord. The remaining increase resulted from an increase in Total WSEs other than those acquired from SOI and Ambrose and a 2% increase in average insurance costs per WSE other than those acquired from SOI and Ambrose.

Net Insurance Service Revenues and Net Service Revenues

	Nine Months Ended September 30,		Change 2013 vs. 2012	
	2012	2013	$	%
	(in thousands, except percentages)			
Insurance service revenues	$601,967	$959,246	$357,279	59%
Less: Insurance costs	518,386	858,862	340,476	66%
Net Insurance Service Revenues	$ 83,581	$100,384	$ 16,803	20%

	Nine Months Ended September 30,		Change 2013 vs. 2012	
	2012	2013	$	%
	(in thousands, except percentages)			
Total revenues	$696,859	$1,154,888	$458,029	66%
Less: Insurance costs	518,386	858,862	340,476	66%
Net Service Revenues	$178,473	$ 296,026	$117,553	66%

For the reasons set forth above, our Net Insurance Service Revenues for the nine months ended September 30, 2013 increased $16.8 million, or 20%, as compared to the same period in 2012, and our Net Service Revenues for the nine months ended September 30, 2013 increased $117.6 million, or 66%, as compared to the same period in 2012.

Other Operating Expenses

	Nine Months Ended September 30,		Change 2013 vs. 2012	
	2012	2013	$	%
	(in thousands, except percentages)			
Cost of providing services	$ 44,944	$ 74,042	$ 29,098	65%
Sales and marketing	39,377	79,387	40,010	102%
General and administrative	24,147	39,821	15,674	65%
System development and programming costs	11,893	15,140	3,247	27%
Amortization of intangible assets	7,853	35,926	28,073	357%
Depreciation	9,100	8,908	(192)	(2%)
Total other operating expenses	$137,314	$253,224	$115,910	84%

Cost of Providing Services

	Nine Months Ended September 30,		Change 2013 vs. 2012	
	2012	2013	$	%
	(in thousands, except percentages)			
Compensation-related costs	$31,398	$52,777	$21,379	68%
Facilities	2,880	3,711	831	29%
Information technology and communication	3,488	5,809	2,321	67%
Other expenses	7,178	11,745	4,567	64%
Total cost of providing services	$44,944	$74,042	$29,098	65%

Cost of providing services for the nine months ended September 30, 2013 increased by $29.1 million, or 65%, compared to the same period in 2012, primarily due to our acquisitions of SOI and Ambrose. Compensation-related costs increased by $21.4 million due to increased headcount, including $14.7 million from our acquisitions of SOI and Ambrose. Facilities-related costs increased by $0.9 million due to our acquisition of SOI, partly offset by a reduction in expense associated with a renegotiation of certain lease terms. The remainder of the increase was due to an increase in WSEs other than those that we acquired from SOI and Ambrose.

Sales and Marketing

	Nine Months Ended September 30,		Change 2013 vs. 2012	
	2012	2013	$	%
	(in thousands, except percentages)			
Compensation-related costs	$25,065	$52,506	$27,441	109%
Marketing and advertising	1,376	2,494	1,118	81%
Facilities	6,091	11,414	5,323	87%
Other expenses	6,845	12,973	6,128	90%
Total sales and marketing	$39,377	$79,387	$40,010	102%

Sales and marketing expenses for the nine months ended September 30, 2013 increased by $40.0 million, or 102%, compared to the nine months ended September 30, 2012. Of this increase, $27.4 million was attributable to compensation-related costs, $15.5 million of which was attributable to increased headcount mainly from our acquisitions of SOI and Ambrose and $11.9 million of which was attributable to growth in our direct sales channel, primarily the addition of new sales representatives. The remaining increase in sales and marketing expenses was primarily attributable to marketing and advertising expenses, which increased by $1.1 million, or 81%, mainly from our acquisitions of SOI and Ambrose. In addition, facilities-related expenses increased by $5.3 million, or 87%, primarily due to our acquisitions of SOI and Ambrose, and partly offset by reduction in expense associated with a renegotiation of certain lease terms. Other expenses increased by $6.1 million, or 90%, primarily due to increased sales travel, meeting and conference activities, as well as increased expenses associated with recruiting efforts and information technology spending to support the growth of our sales organization.

General and Administrative

	Nine Months Ended September 30,		Change 2013 vs. 2012	
	2012	2013	$	%
	(in thousands, except percentages)			
Compensation-related costs	$14,850	$24,566	$ 9,716	65%
Legal and professional fees	2,969	5,655	2,686	90%
Other expenses	6,328	9,600	3,272	52%
Total general and administrative	$24,147	$39,821	$15,674	65%

General and administrative expenses for the nine months ended September 30, 2013 increased by $15.7 million, or 65%, primarily due to increased headcount resulting from our acquisitions of SOI and Ambrose and increased legal, professional services and other corporate expenses resulting from these acquisitions and related integration efforts.

Systems Development and Programming

	Nine Months Ended September 30,		Change 2013 vs. 2012	
	2012	2013	$	%
	(in thousands, except percentages)			
Compensation-related costs	$ 8,906	$11,246	$2,340	26%
Other expenses	2,987	3,894	907	30%
Total systems development and programming costs	$11,893	$15,140	$3,247	27%

Our systems development and programming costs for the nine months ended September 30, 2013 increased by $3.2 million, or 27%, compared to the same period in 2012. Of this increase, $1.3 million was primarily attributable to increased headcount from our acquisitions of SOI and Ambrose. The remaining increase was

primarily due to a $1.0 million increase in compensation-related costs resulting from the increase in headcount other than those we acquired from SOI to support and enhance our technology product delivery.

Amortization of Intangible Assets and Depreciation

	Nine Months Ended September 30,		Change 2013 vs. 2012	
	2012	2013	$	%
	(in thousands, except percentages)			
Amortization of intangible assets	$7,853	$35,926	$28,073	357%
Depreciation	$9,100	$ 8,908	$ (192)	(2%)

Our amortization of intangible assets for the nine months ended September 30, 2013 increased by $28.1 million, or 357%, compared to the same period in 2012. Such increase was primarily attributable to our acquisitions of SOI and Ambrose. Depreciation expense for the nine months ended September 30, 2013 decreased by $0.2 million, or 2%, compared to the same period in 2012, primarily attributable to accelerated depreciation recorded in 2012 as a result of our assessment of changes in the extent and manner that certain fixed assets were expected to be used, offset by an increase in depreciation from our acquisitions of SOI and Ambrose.

Other Income (Expense)

	Nine Months Ended September 30,		Change 2013 vs. 2012	
	2012	2013	$	%
	(in thousands, except percentage)			
Interest expense	$(2,835)	$(32,091)	$(29,256)	1,032%

In March 2012, we obtained a $140.0 million senior secured credit facility, which was amended and restated in October 2012 to provide for total borrowings of $350.0 million, and amended again in April 2013 to provide for total borrowings of $500.0 million. In August 2013, we entered into a new senior secured credit facility for total borrowings of $820.0 million to pay off our previous credit facilities and pay a special dividend. We wrote off $11.4 million of unamortized loan fees in connection with the repayment of the credit facility in August 2013. Interest expense increased correspondingly with the increased indebtedness.

Provision for Income Taxes

	Nine Months Ended September 30,		Change 2013 vs. 2012	
	2012	2013	$	%
	(in thousands, except percentages)			
Provision for income taxes	$15,386	$3,880	$(11,506)	(75%)
Effective tax rates	40.1%	35.2%		

Provision for income taxes for the nine months ended September 30, 2013 decreased by $11.5 million compared to the same period in 2012, primarily due to a decrease in pre-tax income. Our effective tax rate decreased from 40.1% for 2012 to 35.2% for 2013, primarily due to release of uncertain tax positions as a result of statute expirations and a retroactive law change in 2013, allowing for recognition of tax credits for 2012.

Years Ended December 31, 2010, 2011 and 2012

Total Revenues

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	$	%	$	%
	(in thousands, except percentages)						
Professional service revenues	$139,495	$113,279	$ 148,233	$(26,216)	(19%)	$ 34,954	31%
Insurance service revenues	766,695	727,111	870,828	(39,584)	(5%)	143,717	20%
Total revenues	$906,190	$840,390	$1,019,061	$(65,800)	(7%)	$178,671	21%

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	#	%	#	%
Key operating metrics:							
Total WSEs	96,816	83,314	174,311	(13,502)	(14%)	90,997	109%
Total Sales Representatives	114	80	224	(34)	(30%)	144	180%

Total revenues for 2012 increased $178.7 million, or 21%, compared to 2011. Professional service revenues for 2012 increased $35.0 million, or 31%, compared to 2011. Of this increase, $28.3 million was attributable to our acquisitions of SOI and Accord. The remaining $6.7 million was due to an increase in Total WSEs other than those that we acquired from SOI and Accord and a 3% increase in average professional services revenues per WSE other than those acquired from SOI and Ambrose. Our insurance service revenues for 2012 increased $143.7 million, or 20%, compared to 2011 due to an increase in Total WSEs other than those acquired from SOI and Ambrose and an 8% increase in average insurance service revenues per WSE other than those acquired from SOI and Ambrose.

Total WSEs at December 31, 2012 increased by approximately 91,000 compared to Total WSEs at December 31, 2011, with approximately 80,000 of such increase due to our acquisitions of SOI and Accord. The remaining growth in Total WSEs was driven primarily by a net increase in total clients other than those acquired from SOI and Ambrose. Our Total Sales Representatives increased from 80 at December 31, 2011 to 224 at December 31, 2012, 100 of which we acquired from SOI and Accord.

Following our acquisition of Gevity in June 2009, we elected to change the pricing terms with certain of Gevity's clients, terminate Gevity's relationships with certain of its clients, significantly restructure Gevity's and our combined sales forces and migrate all of Gevity's WSEs to our technology platform. As a result of these actions, our total revenues declined in 2011 by $65.8 million, or 7%, as compared to 2010. Professional services revenues for 2011 decreased $26.2 million, or 19%, primarily due to a decrease in WSEs, partially offset by a 6% increase in average professional service revenues per WSE resulting from the Gevity restructuring described above. Insurance service revenues for 2011 decreased $39.6 million, or 5%, primarily resulting from the Gevity restructuring activities, offset by an increase in insurance premium rates and an increase in the participation rate of WSEs in our insurance plans. Total WSEs at December 31, 2011 decreased by approximately 14,000 compared to Total WSEs at December 31, 2010 and our Total Sales Representatives decreased by 34 from 114 at December 31, 2010 to 80 at December 31, 2011, primarily due to the Gevity restructuring.

Insurance Costs

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	$	%	$	%
	(in thousands, except percentages)						
Insurance costs	$713,653	$651,094	$750,025	$(62,559)	(9%)	$98,931	15%

Insurance costs for 2012 increased $98.9 million, or 15%, compared to 2011. Of this increase, $63.6 million was attributable to our acquisitions of SOI and Accord. The remaining increase of $35.3 million was due to an

increase in Total WSEs other than those that we acquired from SOI and Accord and a 2% increase in average insurance costs per WSE other than those we acquired from SOI and Ambrose.

Our insurance costs for 2011 decreased $62.6 million, or 9%, primarily resulting from the Gevity restructuring activities.

Net Insurance Service Revenues and Net Service Revenues

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	$	%	$	%
	(in thousands, except percentages)						
Insurance service revenues	$766,695	$727,111	$870,828	(39,584)	(5%)	143,717	20%
Less: Insurance costs	713,653	651,094	750,025	(62,559)	(9%)	98,931	15%
Net Insurance Service Revenues	$ 53,042	$ 76,017	$120,803	$ 22,975	43%	$ 44,786	59%

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	$	%	$	%
	(in thousands, except percentages)						
Total revenues	$906,190	$840,390	$1,019,061	$(65,800)	(7%)	$178,671	21%
Less: insurance costs	713,653	651,094	750,025	(62,559)	(9%)	98,931	15%
Net Service Revenues	$192,537	$189,296	$ 269,036	$ (3,241)	(2%)	$ 79,740	42%

For the reasons set forth above, our Net Insurance Service Revenues for 2012 increased by $44.8 million, or 59%, as compared to 2011, and our Net Insurance Service Revenues for 2011 increased by $23.0 million, or 43%, as compared to 2010. Also for the reasons set forth above, our Net Service Revenues for 2012 increased by $79.7 million, or 42%, as compared to 2011, and our Net Service Revenues for 2011 decreased by $3.2 million, or 2%, compared to 2010.

Other Operating Expenses

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	$	%	$	%
	(in thousands, except percentages)						
Cost of providing services	$ 72,073	$ 59,388	$ 63,563	$(12,685)	(18%)	$ 4,175	7%
Sales and marketing	46,454	38,087	59,931	(8,367)	(18%)	21,844	57%
General and administrative	28,366	31,421	37,879	3,055	11%	6,458	21%
System development and programming costs	15,045	15,646	16,718	601	4%	1,072	7%
Amortization of intangible assets	17,960	12,388	17,441	(5,572)	(31%)	5,053	41%
Depreciation	12,042	9,201	11,676	(2,841)	(24%)	2,475	27%
Restructuring	5,922	2,358	—	(3,564)	(60%)	(2,358)	(100%)
Total other operating expenses	$197,862	$168,489	$207,208	$(29,373)	(15%)	$38,719	23%

Cost of Providing Services

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	$	%	$	%
	(in thousands, except percentages)						
Compensation-related costs	$46,258	$39,618	$44,629	$ (6,640)	(14%)	$5,011	13%
Facilities	5,284	4,729	3,941	(555)	(11%)	(788)	(17%)
Information technology and communication	7,273	4,600	4,720	(2,673)	(37%)	120	3%
Other expenses	13,258	10,441	10,273	(2,817)	(21%)	(168)	(2%)
Total cost of providing services	$72,073	$59,388	$63,563	$(12,685)	(18%)	$4,175	7%

Cost of providing services for 2012 increased by $4.2 million, or 7%, compared to 2011, primarily due to an increase in compensation-related costs, offset in part by a reduction in facilities costs. Compensation-related costs increased by $5.0 million, or 13%, due to increased headcount, including from our acquisitions of SOI and Accord. Facilities-related costs decreased by $0.8 million, or 17%, due to a reduction in expense associated with a renegotiation of certain lease terms. Information technology and communication and other costs included within the cost of providing services remained relatively consistent from period to period.

Cost of providing services for 2011 decreased by $12.7 million, or 18%, compared to 2010, primarily due to a $6.6 million decrease in compensation-related costs resulting from the integration of Gevity and associated restructuring described above. We also reduced redundant functions in customer support. As a result of additional cost-saving measures, information technology and communication costs for 2011 decreased by $2.7 million, or 37%, compared to 2010. Other expenses decreased by $2.8 million, or 21%, in 2011 compared to 2010, primarily due to savings in postage and shipping expenses and employment practices liability insurance-related expenses due to decreased WSEs.

Sales and Marketing

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	$	%	$	%
	(in thousands, except percentages)						
Compensation-related costs	$31,102	$25,410	$39,740	$(5,692)	(18%)	$14,330	56%
Marketing and advertising	6,531	4,685	8,894	(1,846)	(28%)	4,209	90%
Facilities	1,850	1,697	2,066	(153)	(8%)	369	22%
Other expenses	6,971	6,295	9,231	(676)	(10%)	2,936	47%
Total sales and marketing	$46,454	$38,087	$59,931	$(8,367)	(18%)	$21,844	57%

Sales and marketing expenses for 2012 increased by $21.8 million, or 57%, compared to 2011. Of this increase, $5.6 million was attributable to increased headcount from our acquisitions of SOI and Accord and $8.8 million was attributable to our planned growth in our direct sales channel, primarily the addition of new sales representatives. The remaining increase in sales and marketing expenses for 2012 compared to 2011 was primarily attributable to marketing and advertising expenses, which increased by $4.2 million, or 90%, including $1.9 million attributable to our acquisitions of SOI and Accord. In addition, facilities-related expenses increased by $0.4 million, or 22%, primarily due to our acquisitions of SOI and Accord, and partly offset by reduction in expense associated with a renegotiation of certain lease terms. Other expenses increased by $2.9 million, or 47%, primarily due to increased sales travel, meeting and conference activities, and increased expenses associated with recruiting efforts and information technology spending to support the growth of the sales organization.

Sales and marketing expenses for 2011 decreased by $8.4 million, or 18%, compared to 2010. Of this decrease, $5.7 million was due to a decrease in compensation-related expenses that was mainly attributable to the Gevity

restructuring, which resulted in an 18% reduction in our total sales workforce. The remaining decrease was due to a decrease in marketing and advertising expense of $1.8 million resulting from fewer marketing events and conferences in 2011 as compared to 2010 and a reduction in incentivized partnership and referral programs. The reduction in other expenses of $0.7 million was primarily due to a reduction in sales travel and related expenses.

General and Administrative

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	$	%	$	%
	(in thousands, except percentages)						
Compensation-related costs	$17,303	$19,041	$23,384	$ 1,738	10%	$4,343	23%
Legal and professional fees	2,563	4,882	4,904	2,319	90%	22	0%
Other expenses	8,500	7,498	9,591	(1,002)	(12%)	2,093	28%
Total general and administrative	$28,366	$31,421	$37,879	$ 3,055	11%	$6,458	21%

General and administrative expenses for 2012 increased by $6.5 million, or 21%, compared to 2011. Of this increase, $4.3 million was attributable to increased compensation-related expenses resulting from our acquisitions of SOI and Accord. In addition, other corporate expenses increased by $2.1 million, or 28%, from 2011 to 2012, primarily due to our acquisitions of SOI and Accord and associated integration efforts.

General and administrative expenses for 2011 increased by $3.1 million, or 11%, compared to 2010. Of this increase, $1.7 million was attributable to an increase in compensation-related costs due to the adoption of a standardized company-wide bonus plan and $2.3 million was attributable to increased legal and professional fees. These increases were offset in part by a $1.0 million savings in other expenses due to an improved credit policy and collection process leading to a reduction in bad debt expenses.

Systems Development and Programming

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	$	%	$	%
	(in thousands, except percentages)						
Compensation-related costs	$11,902	$11,777	$12,427	$(125)	(1%)	$ 650	6%
Other expenses	3,143	3,869	4,291	726	23%	422	11%
Total systems development and programming costs	$15,045	$15,646	$16,718	$ 601	4%	$1,072	7%

Systems development and programming costs for 2012 increased by $1.1 million, or 7%, compared to 2011. Of this increase, $0.7 million was attributable to compensation-related costs due to our acquisition of SOI. The remaining $0.4 million was primarily due to an increase in outsourced consulting services in conjunction with product development.

Systems development and programming costs for 2011 increased by $0.6 million, or 4%, compared to 2010. This increase was primarily due to an increase in outsourced consulting services in conjunction with product development.

Amortization of Intangible Assets and Depreciation

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	$	%	$	%
	(in thousands, except percentages)						
Amortization of intangible assets	$17,960	$12,388	$17,441	$(5,572)	(31%)	$5,053	41%
Depreciation	$12,042	$ 9,201	$11,676	$(2,841)	(24%)	$2,475	27%

In 2012, our amortization of intangible assets expense increased by $5.1 million, or 41%, and depreciation expense increased by $2.5 million, or 27%, compared to 2011. Such increases were primarily due to our acquisitions of SOI and Accord as well as additional property and equipment purchases to support our growth and to enhance our client service capacity.

In 2011, our amortization of intangible assets decreased $5.6 million, or 31%, as compared to 2010, primarily due to the completion of amortization of previously acquired intangible assets. Depreciation expense for 2011 decreased by $2.8 million, or 24%, compared to 2010, which was primarily due to completion of depreciation of certain furniture, fixtures and equipment.

In addition, due to significant changes in the extent and manner in which certain assets were expected to be used, we accelerated depreciation expenses of $0.9 million, $0.4 million and $2.8 million in the years ended December 31, 2010, 2011 and 2012, respectively.

Restructuring

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	$	%	$	%
	(in thousands, except percentages)						
Restructuring	$5,922	$2,358	$—	$(3,564)	(60%)	$(2,358)	(100%)

As described under "—Recent Acquisitions," we conducted a restructuring related to our Gevity acquisition in 2010 and 2011, resulting in restructuring charges of $5.9 million in 2010 and $2.4 million in 2011.

Other Income (Expense)

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	$	%	$	%
	(in thousands, except percentages)						
Interest expense	$(4,444)	$(751)	$(9,709)	$3,693	(83%)	$(8,958)	1,193%

In March 2012, we obtained a $140.0 million senior secured credit facility, which was amended and restated in October 2012 to provide for total borrowings of $350.0 million. In connection with the amendment and restatement of the credit facility in October 2012, we recognized a charge of $3.1 million to fully amortize loan fees related to the initial credit facility and recorded a total of $10.8 million in loan fees for the amendment of the credit facility to be amortized over five years on a straight-line basis, resulting in higher interest expense in 2012 as compared to 2011.

Interest expense for 2011 was $0.8 million, compared to $4.4 million in 2010, primarily due to a $60.0 million term loan in 2009 that was fully paid in 2010. There was no term loan drawn during 2011.

Provision for (Benefit from) Income Taxes

	Year Ended December 31,			Change 2011 vs. 2010		Change 2012 vs. 2011	
	2010	2011	2012	$	%	$	%
	(in thousands, except percentages)						
Provision for (benefit from) income taxes	$(100)	$4,646	$20,344	$4,746	NM	$15,698	338%
Effective tax rates	1.0%	23.0%	39.0%				

Our provision for income taxes for 2012 increased by $15.7 million compared to 2011 primarily due to the increase in our pre-tax income. Our effective tax rate increased from 23.0% for 2011 to 39.0% in 2012. Our effective tax rate for 2011 was positively impacted by the release of uncertain tax positions due to statute expirations and forfeitures of incentive stock options.

Provision for income taxes for 2011 increased by $4.7 million compared to 2010 primarily due to the increase in pre-tax income. Our effective tax rate increased from 1.0% for 2010 to 23.0% in 2011. The 1.0% effective tax rate for 2010 resulted from recognition of uncertain tax positions.

Quarterly Results of Operations and Other Data

The following tables set forth selected unaudited quarterly statement of operations data for the seven quarters ended September 30, 2013, as well as the percentage that each line item represents of our total revenues and Net Service Revenues. The information for each of these quarters has been prepared on the same basis as our audited annual financial statements included elsewhere in this prospectus and, in the opinion of management, includes all adjustments, which include only normal recurring adjustments, necessary for the fair statement of our consolidated results of operations for these periods. This data should be read in conjunction with our audited consolidated financial statements and related notes included elsewhere in this prospectus. Our quarterly results of operations will vary in the future. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future period.

	Three Months Ended						
	Mar. 31, 2012	Jun. 30, 2012	Sep. 30, 2012	Dec. 31, 2012	Mar. 31, 2013	Jun. 30, 2013	Sep. 30, 2013
				(in thousands)			
Consolidated Statement of Operations Data:							
Professional service revenues	$ 30,181	$ 31,475	$ 33,236	$ 53,341	$ 59,231	$ 61,080	$ 75,331
Insurance service revenues	188,778	201,132	212,057	268,861	291,839	302,352	365,055
Total revenues	218,959	232,607	245,293	322,202	351,070	363,432	440,386
Costs and operating expenses:							
Insurance costs	156,427	177,371	184,588	231,639	253,912	269,217	335,733
Cost of providing services (exclusive of depreciation and amortization of intangible assets) (1)	14,419	14,662	15,863	18,619	22,815	23,671	27,556
Sales and marketing (1)	10,504	13,160	15,713	20,554	22,631	25,389	31,367
General and administrative (1)	6,659	9,459	8,029	13,732	12,487	12,741	14,593
Systems development and programming costs (1)	3,615	4,052	4,226	4,825	4,510	5,578	5,052
Amortization of intangible assets	2,276	2,895	2,682	9,588	10,306	10,178	15,442
Depreciation	2,113	4,913	2,074	2,576	2,826	2,726	3,356
Restructuring	—	—	—	—	—	—	—
Total costs and operating expenses	196,013	226,512	233,175	301,533	329,487	349,500	433,099
Operating income	22,946	6,095	12,118	20,669	21,583	13,932	7,287
Other income (expense):							
Interest expense	(348)	(1,233)	(1,254)	(6,874)	(5,152)	(7,037)	(19,902)
Other, net	(23)	(4)	49	35	73	161	75
Income (loss) before provision for (benefit from) income taxes	22,575	4,858	10,913	13,830	16,504	7,056	(12,540)
Provision for (benefit from) income taxes	9,048	2,084	4,254	4,958	5,967	2,713	(4,800)
Net income	$ 13,527	$ 2,774	$ 6,659	$ 8,872	$ 10,537	$ 4,343	$ (7,740)

(1) Includes stock-based compensation expense as follows:

	Three Months Ended						
	Mar. 31, 2012	Jun. 30, 2012	Sep. 30, 2012	Dec. 31, 2012	Mar. 31, 2013	Jun. 30, 2013	Sep. 30, 2013
	(in thousands)						
Cost of providing services (exclusive of depreciation and amortization of intangible assets)	$ 106	$ 163	$ 113	$ 135	$ 247	$ 269	$ 254
Sales and marketing	118	183	63	136	273	359	250
General and administrative	907	874	723	639	753	767	851
Systems development and programming costs	35	45	66	55	87	110	140
Total stock-based compensation expense	$ 1,166	$ 1,265	$ 965	$ 965	$ 1,360	$ 1,505	$ 1,495

	Three Months Ended						
	Mar. 31, 2012	Jun. 30, 2012	Sep. 30, 2012	Dec. 31, 2012	Mar. 31, 2013	Jun. 30, 2013	Sep. 30, 2013
	(as a percentage of total revenues)						
Consolidated Statement of Operations Data:							
Professional service revenues	14%	14%	14%	17%	17%	17%	17%
Insurance service revenues	86	86	86	83	83	83	83
Total revenues	100	100	100	100	100	100	100
Costs and operating expenses:							
Insurance costs	71	76	75	72	72	74	76
Cost of providing services (exclusive of depreciation and amortization of intangible assets)	7	6	6	6	6	7	6
Sales and marketing	5	6	6	6	6	7	7
General and administrative	3	4	3	4	4	4	3
Systems development and programming costs	2	2	2	1	1	2	1
Amortization of intangible assets	1	1	1	3	3	3	4
Depreciation	1	2	1	1	1	1	1
Restructuring	—	—	—	—	—	—	—
Total costs and operating expenses	90	97	95	94	94	96	98
Operating income (loss)	10	3	5	6	6	4	2
Other income (expense):							
Interest expense	—	(1)	(1)	(2)	(1)	(2)	(5)
Other, net	—	—	—	—	—	—	—
Income (loss) before provision for (benefit from) income taxes	10	2	4	4	5	2	(3)
Provision for (benefit from) income taxes	4	1	2	2	2	1	(1)
Net income (loss)	6%	1%	3%	3%	3%	(1)%	(2)%

	Three Months Ended						
	Mar 31, 2012	Jun 30, 2012	Sep 30, 2012	Dec 31, 2012	Mar 31, 2013	Jun 30, 2013	Sep 30, 2013
	(as a percentage of Net Service Revenues)						
Consolidated Statement of Operations Data:							
Professional service fees	48%	57%	55%	59%	61%	65%	72%
Net Insurance Service Revenues	52	43	45	41	39	35	28
Net Service Revenues	100	100	100	100	100	100	100
Operating expenses:							
Cost of providing services (exclusive of depreciation and amortization of intangible assets)	23	27	26	21	23	25	26
Sales and marketing	17	24	26	23	23	27	30
General and administrative	11	17	13	15	13	14	14
Systems development and programming costs	6	7	7	5	5	6	5
Amortization of intangible assets	4	5	4	11	11	11	15
Depreciation	3	9	3	3	3	3	3
Restructuring	—	—	—	—	—	—	—
Total operating expenses	63	89	80	77	78	85	93
Operating income	37	11	20	23	22	15	7
Other income (expense):							
Interest expense	(1)	(2)	(2)	(8)	(5)	(7)	(19)
Other, net	—	—	—	—	—	—	—
Income before provision for (benefit from) income taxes	36	9	18	15	17	7	(12)
Provision for (benefit from) income taxes	14	4	7	5	6	3	(5)
Net income	22%	5%	11%	10%	11%	5%	(7)%

	Three Months Ended						
	Mar. 31, 2012	Jun. 30, 2012	Sep. 30, 2012	Dec. 31, 2012	Mar. 31, 2013	Jun. 30, 2013	Sep. 30, 2013
Other Operational and Financial Data:							
Total WSEs	84,059	102,987	104,747	174,311	185,894	197,458	218,069
Total Sales Representatives	83	129	149	224	234	298	301
Net Insurance Service Revenues (in thousands)	$ 32,350	$ 23,762	$ 27,469	$ 37,222	$ 37,927	$ 33,135	$ 29,322
Net Service Revenues (in thousands)	$ 62,532	$ 55,236	$ 60,705	$ 90,563	$ 97,158	$ 94,215	$104,653
Adjusted EBITDA (in thousands)	$ 28,478	$ 15,164	$ 17,888	$ 33,833	$ 36,148	$ 28,502	$ 27,655
Adjusted Net Income (in thousands)	$ 15,627	$ 5,312	$ 8,884	$ 15,311	$ 18,096	$ 11,913	$ 3,234

The table below sets forth a reconciliation of GAAP insurance service revenues to Net Insurance Service Revenues:

	Three Months Ended						
	Mar. 31, 2012	Jun. 30, 2012	Sep. 30, 2012	Dec. 31, 2012	Mar. 31, 2013	Jun. 30, 2013	Sep. 30, 2013
	(in thousands)						
Insurance service revenues	$188,778	$201,132	$212,057	$268,861	$291,839	$302,352	$365,055
Less: Insurance costs	156,427	177,371	184,588	231,639	253,912	269,217	335,733
Net Insurance Service Revenues	$ 32,351	$ 23,761	$ 27,469	$ 37,222	$ 37,927	$ 33,135	$ 29,322

The table below sets forth a reconciliation of GAAP total revenues to Net Service Revenues:

	Three Months Ended						
	Mar. 31, 2012	Jun. 30, 2012	Sep. 30, 2012	Dec. 31, 2012	Mar. 31, 2013	Jun. 30, 2013	Sep. 30, 2013
	(in thousands)						
Total revenues	$ 218,959	$ 232,607	$ 245,293	$ 322,202	$ 351,070	$ 363,432	$ 440,386
Less: Insurance costs	156,427	177,371	184,588	231,639	253,912	269,217	335,733
Net Service Revenues	$ 62,532	$ 55,236	$ 60,705	$ 90,563	$ 97,158	$ 94,215	$ 104,653

The table below sets forth a reconciliation of GAAP net income (loss) to Adjusted EBITDA:

	Three Months Ended						
	Mar. 31, 2012	Jun. 30, 2012	Sep. 30, 2012	Dec. 31, 2012	Mar. 31, 2013	Jun. 30, 2013	Sep. 30, 2013
	(in thousands)						
Net income	$ 13,527	$ 2,774	$ 6,659	$ 8,872	$ 10,537	$ 4,343	$ (7,740)
Provision for (benefit from) income taxes	9,048	2,084	4,254	4,958	5,967	2,713	(4,800)
Stock-based compensation	1,166	1,265	965	965	1,360	1,505	1,495
Interest expense	348	1,233	1,254	6,874	5,152	7,037	19,902
Depreciation	2,113	4,913	2,074	2,576	2,826	2,726	3,356
Amortization of intangible assets	2,276	2,895	2,682	9,588	10,306	10,178	15,442
Adjusted EBITDA	$ 28,478	$ 15,164	$ 17,888	$ 33,833	$ 36,148	$ 28,502	$ 27,655

The table below sets forth a reconciliation of GAAP net income (loss) to Adjusted Net Income:

	Three Months Ended						
	Mar. 31, 2012	Jun. 30, 2012	Sep. 30, 2012	Dec. 31, 2012	Mar. 31, 2013	Jun. 30, 2013	Sep. 30, 2013
Net income	$ 13,527	$ 2,774	$ 6,659	$ 8,872	$ 10,537	$ 4,343	$ (7,740)
Stock-based compensation	1,166	1,265	965	965	1,360	1,505	1,495
Amortization of intangible assets	2,276	2,895	2,682	9,588	10,306	10,178	15,442
Income tax impact of pre-tax adjustments at the effective tax rate	(1,342)	(1,622)	(1,422)	(4,114)	(4,107)	(4,113)	(5,964)
Adjusted Net Income	$ 15,627	$ 5,312	$ 8,884	$ 15,311	$ 18,096	$ 11,913	$ 3,233

Quarterly Revenues and Insurance Costs Trends

Our professional service revenues have increased in each quarter starting with the first quarter of 2012 due to our acquisitions of Accord in the second quarter of 2012, SOI in the fourth quarter of 2012 and Ambrose in the third quarter of 2013, combined with net total client increases due to expansion of our Total Sales Representatives and an increase in professional service revenues charged per WSE.

Our insurance service revenues consist of insurance-related billings and administrative fees. Administrative fees generally fluctuate with our Total WSEs. Insurance costs are adversely impacted by claims activities. We have historically experienced higher claim volumes in the second and third quarters of a fiscal year than in the first and fourth quarters of a fiscal year, which have increased our insurance costs in the second and third quarters of a fiscal year. Insurance claims activity can fluctuate significantly based on the volume and severity of claims in any quarter.

Quarterly Operating Expense Trends

Cost of providing services generally varies in responding to the growth of WSEs and from costs associated with client related legal claims. In the fourth quarter of 2012 and third quarter of 2013, cost of providing services increased significantly as a result of the acquisitions of SOI and Ambrose, respectively.

Sales and marketing expense generally varies from quarter to quarter based on the timing of promotional activities and when we add sales representatives. Typically sales and marketing expenses increase in the third fiscal quarter because we invest during that quarter in our annual sales meeting and promotional campaigns. In addition, in the second quarter of 2012 we aggressively expanded our sales representative team to allow us to further penetrate different vertical markets and expand our national presence. Sales and marketing expense also increased in the fourth quarter of 2012 primarily related to our acquisition of SOI.

General and administrative expense varies from quarter to quarter based on the timing of expenses related to corporate initiatives such as financing and acquisition activities, legal and other professional services such as audit, tax, valuation, actuarial and recruiting. General and administrative expense increased significantly in fourth quarter of 2012 primarily as a result of our acquisition of SOI.

Systems development and programming costs are most significantly affected by changes in the stage of development of our internal use software, which determines whether amounts spent are capitalized or expensed. Our systems development and programming costs increased starting in the fourth quarter of 2012 primarily as a result of our acquisition of SOI.

Depreciation expense has increased moderately from 2012 to 2013 as we continued to acquire and develop software to enhance our services and for our internal use. In addition, we regularly review the useful life of our assets and assess the appropriateness of the remaining useful lives. As a result of our regular review, for the second quarter of 2012, we accelerated the depreciation of certain software and recorded an additional depreciation expense of $2.8 million, resulting in a significant increase in depreciation expense for that quarter.

Amortization of intangible assets expense has increased from $2.1 million in the first quarter of 2012 to $9.6 million in fourth quarter of 2012, $10.3 million in the first quarter of 2013 and $15.4 million in the third quarter of 2013, primarily as a result of our acquisitions of SOI and Ambrose. We generally amortize intangible assets acquired from business combinations over a period of three to five years. Amortization of intangible assets is significantly affected by the timing of any additional acquisitions and it could be impacted by our regular impairment analysis. Impairment charges are recorded in the period when such impairment is identified.

Stock compensation expense varies from quarter to quarter and is generally impacted by the stock option grant activities such as timing of new option grants, forfeitures and the change in our common stock value.

Internal Control Over Financial Reporting

In preparing and reviewing our consolidated financial statements as of and for the nine months ended September 30, 2013, we and our independent registered public accounting firm identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. The material weakness identified related to our incorrectly recording a deferred tax asset in connection with our accounting for our acquisition of Ambrose that should have been recorded as goodwill. As such, our controls over financial reporting were not designed or operating effectively, and as a result there were adjustments required in connection with closing our books and records and preparing our consolidated financial statements for the nine months ended September 30, 2013.

In response to this material weakness, we plan to hire additional personnel to build our financial management and reporting infrastructure, and further develop and document our accounting policies and financial reporting procedures. However, we cannot assure you that we will be successful in pursuing these measures or that these measures will significantly improve or remediate the material weakness described above. We also cannot assure you that we have identified all of our existing material weaknesses, or that we will not in the future have additional material weaknesses.

Neither we nor our independent registered public accounting firm has performed an evaluation of our internal control over financial reporting during any period in accordance with the provisions of the Sarbanes-Oxley Act. In light of the material weakness that was identified as a result of the limited procedures performed, we believe that it is possible that, had we and our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses or significant control deficiencies may have been identified.

Liquidity and Capital Resources

Our principal source of liquidity for operations is derived from cash provided by operating activities. We rely on cash provided by operating activities to meet our short-term liquidity requirements, which primarily relate to the payment of corporate payroll and other operating costs, and capital expenditures. Our cash flow related to WSE payroll and benefits is generally matched by advance collection from our clients. To minimize the credit risk associated with remitting the payroll and associated taxes and benefits costs, we require clients to prefund the payroll and related payroll taxes and benefits costs. To the extent this does not occur, our results of operations and cash flow may be negatively impacted.

WSE-related liabilities can fluctuate significantly due to various factors, including the day of the week on which a client payroll period ends, the existence of holidays at or immediately following a client payroll period-end and various federal and state compliance calendars. We report the advance collection from our clients as payroll funds collected within WSE-related assets on our balance sheet. Our cash and cash equivalents reported on our balance sheet represent our corporate cash available to meet corporate liquidity requirements, capital spending and expansion plans, potential acquisitions, debt service requirements and other corporate operating cash needs.

The following table shows our capital resources for the stated periods:

	As of December 31,		As of September 30,
	2011	2012	2013
		(in thousands)	
Cash and cash equivalents	$31,620	$63,749	$ 112,161
Working capital:			
Corporate working capital	$23,207	$16,019	$ 77,132
WSE-related assets, net of WSE-related liabilities	$ 3,217	$11,361	$ 8,409

We had cash and cash equivalents of $63.7 million and $112.2 million as of December 31, 2012 and September 30, 2013, respectively. The increase was primarily due to the cash generated from operations during the nine months ended September 30, 2013 and borrowings under our new credit facilities. In August 2013, we borrowed an aggregate of $820.0 million under our new credit facilities. We used approximately $448.3 million of that amount to repay indebtedness outstanding under our previous credit facility and $310.8 million to pay a special cash dividend to holders of our capital stock. We believe that our existing cash and cash equivalents, working capital and cash provided by operating activities will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months.

WSE-related assets consist of cash and investments restricted for current workers compensation deductible payments, payroll funds collected, accounts receivable, unbilled revenues and refundable or prepaid amounts related to our sponsored workers compensation and health plan programs. WSE-related liabilities consist of customer prepayments, wages and payroll taxes accrued and payable and liabilities related to our sponsored workers compensation and health plan programs resulting from deductible reserves and premium amounts due to providers for enrolled employees expected to be disbursed within the next 12 months.

Our working capital asset accounts consist of cash and cash equivalents, accounts receivables, prepaid assets, WSE-related assets and other current assets. Liabilities included within working capital include

accounts payable, accrued expenses, WSE-related liabilities and other current liabilities and the current portion of our notes payable. As of September 30, 2013, we had $77.1 million in corporate working capital and $8.4 million in WSE-related assets net of WSE-related liabilities. Corporate working capital increased by $61.1 million as compared to December 31, 2012 primarily due to an increase in cash and cash equivalents resulting from positive cash flow from operations and borrowings under our August 2013 credit facilities. Net WSE-related assets decreased by $3.0 million as compared to December 31, 2012 mainly due to the timing of collections from clients and payments of associated WSE-related liabilities. Included in WSE-related assets as of September 30, 2013 is $207.7 million of payroll funds collected from customers, which represents cash available to settle short-term WSE-related operating liabilities. Changes in WSE-related assets and liabilities are included in operating cash flow in our consolidated statement of cash flows.

Under the terms of the agreements with our workers compensation insurance carriers, we are required to maintain collateral accounts to fund the carriers' claim payments within our deductible layer. The collateral amount is determined at the beginning of each plan year based on estimated workers compensation wages and claim histories and the insurance carrier may adjust the balance when facts and circumstances change. As of September 30, 2013, we had $21.5 million of restricted cash included in WSE-related assets and $37.0 million of marketable securities designated as long-term restricted cash and investments on the consolidated balance sheet. Our restricted marketable securities investment portfolio represents U.S. long-term treasuries and mutual funds. We regularly review the collateral balances with our insurance carriers, and we do not anticipate any material additional collateral obligations to be required in 2013 for our workers compensation arrangements.

Cash Flows

We generated positive cash flows from operating activities during each of 2010, 2011 and 2012 and the nine months ended September 30, 2012 and 2013. We also have the ability to generate cash through our financing arrangements under our credit facility to meet short-term funding requirements related to WSE-related obligations. The following table shows our cash flows from operating activities, investing activities and financing activities for the stated periods:

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
			(in thousands)		
Consolidated Cash Flow Data:					
Net cash provided by (used in):					
Operating activities	$ 71,433	$ 46,572	$ 80,254	$ 49,597	$ 62,080
Investing activities	(7,137)	(7,154)	(262,608)	(61,499)	(206,794)
Financing activities	(56,491)	(53,326)	214,478	26,091	193,146
Effect of exchange rates on cash and cash equivalents	(12)	(7)	5	73	(20)
Net increase (decrease) in cash and cash equivalents	$ 7,793	$(13,915)	$ 32,129	$ 14,262	$ 48,412

Cash Flows from Operating Activities

Net cash provided by operating activities was $62.1 million for the nine months ended September 30, 2013, $49.6 million for the nine months ended September 30, 2012, and $80.3 million, $46.6 million and $71.4 million for 2012, 2011 and 2010, respectively. Historically, cash provided by operating activities has been affected by our net income (loss), adjusted for non-cash expense items (such as depreciation, amortization of intangible assets, deferred income taxes, expense associated with stock-based compensation) and changes in working capital accounts. The fluctuation in our working capital accounts was primarily driven by WSE-related assets and liabilities.

Cash Flows from Investing Activities

Net cash used in investing activities was $206.8 million for the nine months ended September 30, 2013, as compared to $61.5 million for the same period in 2012. In the first nine months of 2012, we used $27.5 million for the acquisitions of Accord and ExpenseCloud and a $27.5 million investment in marketable securities compared to $193.7 million (net of cash acquired) for the acquisition of Ambrose and $7.3 million invested in debt securities in 2013. Net cash used in investing activities was $262.6 million in 2012, compared to net cash used in investing activities of $7.2 million and $7.1 million in 2011 and 2010, respectively. The significant increase in net cash used in investing activities in 2012 as compared to 2010 and 2011 was primarily related to our acquisitions of SOI and Accord, increased capital expenditures and our investment in debt securities to match our long-term liabilities under our workers compensation program.

Cash Flows from Financing Activities

Net cash provided by financing activities was $193.1 million for the nine months ended September 30, 2013, compared to $26.1 million for the same period in 2012. Net cash provided by financing activities during the nine months ended September 30, 2013 was largely attributable to the borrowing of $150.0 million from our previous credit facility in connection with our acquisition of Ambrose and the borrowing of $820.0 million from our new credit facilities, partially offset by $24.6 million in payments for debt issuance costs, $450.1 million in loan repayments, $11.8 million in common stock repurchases and a $310.9 million special dividend. During the nine months ended September 30, 2012, net cash provided by financing activities was largely attributable to the borrowing of $105.0 million pursuant to a term loan, offset by the payment of a $75.3 million special dividend. Net cash provided by financing activities was $214.5 million for 2012, compared with net cash used in financing activities of $53.3 million and $56.5 million for 2011 and 2010, respectively. Net cash provided by financing activities during 2012 was largely attributable to our borrowing of $405.0 million under our credit facility and receipt of $5.4 million in proceeds from stock option exercises, offset by $105.7 million in repayments of notes payable, the payment of a $75.4 million special dividend and the payment of $14.0 million in debt issuance costs. During 2011, net cash used in financing activities was mainly attributable to our payment of a $50.9 million special dividend. During 2010, net cash used in financing activities was mainly related to our repayment of $52.7 million in notes payable.

Credit Facilities

In August 2013, we, as guarantor, our subsidiary TriNet HR Corporation, as borrower, and certain of our other subsidiaries as subsidiary guarantors entered into two senior secured credit facilities:

- a $705.0 million first lien credit facility with JPMorgan Chase Bank, N.A., as administrative agent; and
- a $190.0 million second lien credit facility with Wilmington Trust, National Association, as administrative agent.

We refer to these as our first lien credit facility and our second lien credit facility, respectively, and collectively as our credit facilities. The credit facilities are secured by substantially all of our assets and the assets of the borrower and of our subsidiary guarantors, other than specifically excluded assets. Certain of the underwriters acted as syndication agents, arrangers and book-runners for our credit facilities. See “Underwriting.”

The first lien credit facility provides for a five-year revolving credit facility of $75.0 million, three-year first lien tranche B-1 term loan of $175.0 million and seven-year first lien tranche B-2 term loan of $455.0 million. A second lien credit facility provides for a seven-year-and-six-month term loan of $190.0 million. All first lien and second lien term loans were fully drawn in August 2013. The $75.0 million revolving credit facility includes capacity for a $30.0 million letter of credit facility and a $10.0 million swingline facility. The total unused portion of the revolving credit facility was $52.2 million as of September 30, 2013, because $22.8 million of the facility was used to backstop letters of credit outstanding under a previous credit facility. The proceeds of the first and second lien credit facilities were used to repay approximately $448.3 million of indebtedness

outstanding under our previous credit facility, declare a special dividend, provide cash collateral to guarantee a letter of credit and pay transaction costs. In connection with the credit facilities, we incurred $23.1 million of debt issuance costs.

Borrowings under our credit facilities bear interest, at our option at a rate based on the London Interbank Offered Rate, or LIBOR, or based on the prime rate plus, in each case, an applicable margin. LIBOR loans under the tranche B-2 term loan and the second lien credit facility are subject to a 1.00% LIBOR floor. The applicable margin with respect to our tranche B-1 term loan is equal to (i) 3.75% per annum for LIBOR loans and (ii) 2.75% per annum for prime rate loans. The applicable margin with respect to our tranche B-2 term loan is equal to (x) at such times as any indebtedness is outstanding under our second lien credit facility (i) 4.00% per annum for LIBOR loans, and (ii) 3.00% per annum for prime rate loans, and (y) at such times as no indebtedness is outstanding under our second lien credit facility (i) 3.75% per annum for LIBOR loans, and (ii) 2.75% per annum for prime rate loans. The applicable margin with respect to our second lien term loans is equal to (i) 7.75% per annum for LIBOR loans and (ii) 6.75% per annum for prime rate loans. The applicable margin with respect to our revolving credit facility is subject to adjustment based on our first lien leverage ratio. The tranche B-1 term loan has a maturity date of August 20, 2016, the tranche B-2 term loan has a maturity date of August 20, 2020 and the second lien term loan has a maturity date of February 20, 2021 and the revolving credit facility has a maturity date of August 20, 2018.

We may make prepayments of principal under the first lien credit facility at any time and from time to time, without premium or penalty, except that a 1% premium would apply to a repayment via a repricing of the loan under the tranche B-2 term loan effected on or prior to August 20, 2014. We may make prepayments of principal under our second lien facility at any time and from time to time. However, voluntary prepayments and mandatory prepayments of the second lien credit facility are subject to a 2% premium for prepayments prior to August 20, 2014 and a 1% premium for prepayments on or after August 20, 2014 but prior to August 20, 2015; provided that prepayments with the proceeds from our initial public offering are subject to a premium of only 1% if made on or prior to December 18, 2013.

We are required to make quarterly principal repayments of the tranche B-1 and B-2 term loans beginning on December 31, 2013 equal to 0.25% of the original principal amount. We are required to make prepayments of borrowings under the credit facilities (without payment of a premium) with (i) net cash proceeds from certain non-ordinary course asset sales and casualty and condemnation proceeds (subject to reinvestment rights and other exceptions), (ii) net cash proceeds from issuances of debt (other than certain permitted debt), and (iii) beginning with the fiscal year ending December 31, 2014, 50% of our excess cash flow as defined in the credit agreements related to each of the credit facilities (subject to decrease to (x) 25% if our total leverage ratio as of the last day of such fiscal year is less than 3.75 to 1.0 and equal to or greater than 3.00 to 1.00 and (y) 0% if our total leverage ratio as of the last day of such fiscal year is less than 3.00 to 1.0), provided that we may defer prepayments based on excess cash flow to the extent such payments would result in our GAAP working capital being less than $10.0 million (after giving effect to such prepayments). In addition, we are required to apply the net proceeds from the initial public offering of our common stock to prepay the second lien term loans.

Our credit facilities contain customary representations and warranties and customary affirmative and negative covenants applicable to us and our subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness, and dividends and other distributions. The credit facilities contain the following events of default subject in certain cases to customary grace periods and notice requirements: (i) failure to pay principal, interest and other obligations when due, (ii) material misrepresentations by us, the borrower or any of the subsidiary guarantors, (iii) breach by us, the borrower or any subsidiary guarantor of covenants, conditions or agreements in the credit facilities, (iv) failure by us, the borrower or any subsidiary to make any payments when due under material indebtedness, (v) certain acceleration events with respect to material indebtedness, (vi) certain bankruptcy events with respect to us or any of our material subsidiaries, (vii) failure by us or any material subsidiary to pay judgments for the payment of money in an aggregate amount in excess of $10,000,000, (viii) the occurrence of certain ERISA events that could reasonably be expected to result in a material adverse effect on our business, assets, operations or financial condition, our ability to perform our obligations under the credit facilities or the rights and remedies of the lenders and the administrative agents; (ix) failure of certain

liens securing the credit facilities to be, or asserted by us or any guarantor not to be, valid and perfected, (x) failure of any guarantee by the subsidiary guarantors to be in full force and effect, (xi) failure of the first lien/second lien intercreditor agreement to be enforceable against the parties thereto, and (xii) the occurrence of a change of control.

Our previous credit facility consisted of a revolving credit facility, a term A loan and a term B loan. Borrowings under our previous credit facility bore interest, at our option, at a rate based on LIBOR or the prime rate plus, in each case, an applicable margin. The applicable margin with respect to the term B loan was equal to (i) 5.25% per annum for LIBOR loans, subject to a 1.25% LIBOR floor, and (ii) 4.25% per annum for prime rate loans, subject to a 2.25% prime rate floor. The applicable margin with respect to the term A loan and the previous revolving credit facility was subject to adjustment based on our consolidated total leverage ratio. The term A loan and the previous revolving credit facility had a maturity date of October 24, 2017 and the term B loan had a maturity date of October 24, 2018. The remaining balance of associated loan fees of $11.4 million was fully amortized in August 2013.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations and commercial commitments as of September 30, 2013, and the effect they are expected to have on our liquidity and capital resources (in thousands):

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt obligations	$ 820,000	$ 1,575	$ 12,600	$180,163	$625,662
Interest on debt obligations	303,928	17,133	93,358	82,928	110,509
Workers compensation liabilities	75,140	19,921	19,704	10,862	24,653
Capital lease obligation	636	179	448	9	—
Operating lease obligations	26,071	2,341	16,154	4,033	3,543
Purchase obligations	49,961	49,284	677	—	—
Uncertain tax positions	2,960	2,487	473	—	—
Total	$1,278,696	$92,920	$143,414	$277,995	$764,367

Workers compensation liabilities represented in the table above are considered contractual obligations because they represent the estimated costs of reimbursing the carriers for paying claims within the deductible layer in accordance with workers compensation insurance policies. Workers compensation liabilities include estimates for reported claims, plus estimates for claims incurred but not reported, and estimates of certain expenses associated with processing and settling the claims. These estimates are subject to significant uncertainty. The actual amount to be paid is not finally determined until we reach a settlement with the insurance carrier. Final claim settlements may vary significantly from the present estimates, particularly because many claims will not be settled until well into the future. In estimating the timing of future payments by year, we have assumed that our historical payment patterns will continue. However, the actual timing of future payments could vary materially from these estimates due to, among other things, changes in claim reporting and payment patterns and large unanticipated settlements.

Our purchase obligations represented in the table above primarily consist of obligations for renewal premiums on workers compensation policies, software licenses and maintenance, sales and marketing events and professional and consulting fees. These are associated with agreements that we believe are enforceable and legally binding and that specify all significant terms, including fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the transaction. Obligations under contracts that we can cancel without a significant penalty are not included in the table above.

To support our growth and expansion, we may lease additional office space. Many of our operating lease agreements provide us with the option to renew. Our future operating lease obligations would change if we exercised these options and if we entered into additional operating lease agreements as we expand our operations.

In the normal course of business, we make representations and warranties that guarantee the performance of services under service arrangements with clients. Historically, there has been no material losses related to such guarantees. In addition, in connection with our initial public offering, we will be entering into indemnification agreements with our officers and directors, which require us to defend and, if necessary, indemnify these individuals for certain pending or future legal claims as they relate to their services provided to us. Such indemnification obligations are not included in the table above.

Critical Accounting Policies, Estimates and Judgments

Our consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these consolidated financial statements requires us to make significant estimates, assumptions and judgments that affect the amounts of assets, liabilities, service revenues and expenses and related disclosures. We base our estimates and judgments on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Significant estimates include allowances for accounts receivable, workers compensation related assets and liabilities, health plan assets and liabilities, recoverability of goodwill and other intangible assets, income taxes, stock-based compensation and other contingent liabilities. Actual results could differ from those estimates.

The following accounting policies are critical and/or require significant judgments and estimates in the preparation of our consolidated financial statements.

Revenue Recognition

Professional service revenues represent service fees charged to clients for co-employment services including processing HR transactions such as payroll and employment tax withholding and labor and benefit law compliance based on either a fixed fee per WSE per month or per transaction, or a percentage of WSEs' payroll. Professional service revenues also include fees billed for other HR-related services such as talent acquisitions, performance management and time and expense reporting services in accordance with separate written service agreements. We recognize professional service revenues in the period the services are rendered and earned under service arrangements with clients where service fees are fixed or determinable and collectability is reasonably assured.

Insurance service revenues consist of insurance-related amounts and administrative fees collected from clients and withheld from WSEs for risk-based insurance plans provided through third-party insurance carriers, primarily employee health benefit insurance and workers compensation insurance. We recognize insurance service revenues in the period amounts are due and collectability is reasonably assured.

The professional service revenues and insurance service revenues are each considered separate units of accounting and the associated fees and insurance premiums are billed as such for the majority of our clients. For clients billed through a bundled invoice, the selling price of significant deliverables is determined based on the best estimate of selling price.

We are not the primary obligor for payroll and payroll tax payments and therefore these payments are not reflected as either revenue or expense. The gross payroll and payroll tax payments made on behalf of our clients, combined, were $8.5 billion, $7.9 billion and $10.0 billion for the years ended December 31, 2010, 2011, and 2012 respectively, and $6.7 billion and $7.7 billion for the nine months ended September 30, 2012 and 2013, respectively.

We record a liability relating to work performed by WSEs but unpaid at the end of each period in the period in which the WSE performs work along with the related receivable for the same period. We generally charge an upfront non-refundable set-up fee for which the performance of such services is not a discrete earnings event and therefore the revenue is recognized on a straight-line basis over the estimated average client tenure.

Insurance Costs

Insurance costs includes insurance premiums paid to the insurance carriers for the health and workers compensation insurance coverage and the reimbursements paid to the insurance carriers for claim payments made by them within the insurance deductible layer.

Workers Compensation Insurance Reserves

We establish workers compensation insurance reserves to provide for our estimated costs of reimbursing our workers compensation insurance carriers for paying claims within the deductible layer in accordance with workers compensation insurance policies. These reserves include estimates for reported losses, plus amounts for those claims not yet reported, and estimates of certain expenses incurred by our carriers and third-party administrators in the course of processing and settling the claims. In establishing our workers compensation insurance reserves, we use an independent actuarial estimate of undiscounted future cash payments that would be made to settle the claims.

In estimating these reserves, we utilize our historical loss experience, exposure data and actuarial judgment, together with a range of inputs that are primarily based upon the WSEs' job responsibilities, their location, the historical frequency and severity of workers compensation claims, and an estimate of future cost trends. All of these components can materially impact the reserves as reported in our consolidated financial statements. For each reporting period, we incorporate changes in the actuarial assumptions resulting from changes in our actual claims experience and other trends into our workers compensation claims cost estimates. Accordingly, final claim settlements may vary from the present estimates, particularly when those payments may not occur until well into the future.

We review the adequacy of our workers compensation insurance reserves on a quarterly basis. We reflect adjustments to previously established reserves in our results of operations for the period in which the adjustments are identified. These adjustments can be significant, reflecting any variety of new and adverse or favorable trends. Any unexpected increases in the severity or frequency of claims could harm our operating results.

We do not discount loss reserves accrued under these programs. We record claim costs that we expect to be paid within one year as accrued workers compensation costs and include them in worksite employee related liabilities as short-term liabilities, and we include costs that we expect to be paid beyond one year in long-term liabilities on our consolidated balance sheets.

At policy inception, we estimate annual premiums based on projected wages over the duration of the policy period. As actual wages are realized, the amounts paid for premiums may differ from the estimates we record, creating an asset or liability throughout the policy year. These differences can have a material effect on our consolidated financial position and results of operations.

Health Benefits Insurance Reserves

We establish health benefits insurance reserves to provide for our estimated costs of reimbursing our health benefits insurance carriers for paying claims within the deductible layer in accordance with health insurance policies. These reserves include estimates for reported losses, plus amounts for those claims not yet reported. We determine our health benefits insurance reserves based upon a number of factors, including actuarial calculations, our current and historical claims payment patterns, plan enrollment and medical trend rates. We record these reserves within health benefits payable and include them in WSE-related liabilities on our consolidated balance sheets.

Under certain contracts, based on plan performance, we may be entitled to receive refunds of premiums that we pay to our health benefits insurance carriers. We estimate these refunds based on our premium and claims data and record the prepaid health plan assets within WSE-related assets on our consolidated balance sheets. These prepaid health plan assets require our management to make assumptions and to apply judgment based on actuarial assumptions, claim history, medical trends and other industry-specific factors. If actual results are not consistent with our estimates or assumptions, it could harm our financial condition and results of operations.

We review the adequacy of our health benefits insurance reserves on a quarterly basis. We reflect adjustments to previously established reserves in our results of operations for the period in which the adjustments are identified. These adjustments can be significant, reflecting any variety of new and adverse or favorable trends. Any unexpected increases in the severity or frequency of claims could harm our operating results.

Goodwill and Other Intangible Assets

Our goodwill and identifiable intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment annually in the fourth quarter or when an event occurs or circumstances change in a way to indicate that there has been a potential decline in the fair value of the reporting unit. Impairment is determined by comparing the estimated fair value of the reporting unit to its carrying amount, including goodwill. Our business is largely homogeneous and, as a result, all the goodwill is associated with one reporting unit. In 2011, we adopted the accounting standard that provides for performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit has declined below carrying value. This assessment requires significant management judgment to evaluate the impact of various financial, macroeconomic, industry, and reporting unit specific qualitative factors.

Intangible assets with finite useful lives include purchased client lists, trade names, developed technologies and contractual agreements. Fair value of our intangible assets acquired in business combinations are corroborated using appraisals that are performed by independent third-party valuation firms. The assumptions utilized to determine the fair value of our intangible assets requires management's assessment of various factors including business strategies and future expectations. Intangible assets are amortized over their respective estimated useful lives using either the straight-line method or an accelerated method, ranging from two to six years. Intangible assets are reviewed for indicators of impairment at least annually and evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

These types of analyses contain uncertainties requiring management to make assumptions and to apply judgment to estimate industry economic factors and the profitability of future business strategies. It is our policy to conduct impairment testing based on our current business strategy in light of present industry and economic conditions, as well as our future expectations. We do not believe that there is a reasonable likelihood that there will be a material change in the future estimates or assumptions we use to test for impairment losses for goodwill and other intangible assets. However, if actual results are not consistent with our estimates or assumptions, we may be exposed to an impairment charge that could be material.

Impairment of Long-Lived Assets

Long-lived assets, such as property, equipment and capitalized internal use software subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable such as: (i) a significant adverse change in the extent or manner in which it is being used or in its physical condition, (ii) a significant adverse change in legal factors or in business climate that could affect its value, or (iii) a current-period operation or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with its use.

An asset is considered impaired if the carrying amount exceeds the undiscounted future net cash flows the asset is expected to generate. An impairment charge is recognized for the amount by which the carrying amount of the assets exceeds its fair value. The adjusted carrying amount of the asset becomes its new cost basis. For a depreciable long-lived asset, the new cost basis will be depreciated or amortized over the remaining useful life of that asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less selling costs.

Our impairment loss calculations contain uncertainties which require management to make assumptions and to apply judgment to estimate future cash flows and asset fair values, including forecasting useful lives of the assets and selecting the discount rate that reflects the risk inherent in future cash flows.

Stock-Based Compensation

We have historically issued two types of stock-based awards to employees: restricted stock units and stock options. We have not issued any restricted stock units since 2010. Compensation expense associated with restricted stock units is based on the fair value of our common stock on the grant date. Compensation expense associated with stock options is based on the estimated grant date fair value method using the Black-Scholes valuation model. Expense is recognized, net of estimated forfeitures, using a straight-line amortization method over the respective vesting period for awards during which the employee is required to perform service in exchange for such award.

Our option-pricing model requires the input of highly subjective assumptions, including the fair value of our common stock, the expected term of the option, the expected volatility of the price of our common stock, risk-free interest rates and the expected dividend yield of our common stock. Because our common stock is not publicly traded, we estimate the fair value of the underlying common stock as discussed in "Common Stock Valuations" below. Other variables are estimated as follows:

- Risk-free interest rate is based on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term of the options.
- Expected term represents the period that our share-based awards are expected to be outstanding. We estimated the expected term for a "plain vanilla" option using the simplified method allowed under current guidance, which uses the midpoint between the graded vesting period and the contractual termination date.
- Expected volatility is determined by taking the average historical volatilities of our peer group based on daily price observations over a period equivalent to the expected term of the option. Our peer group consists of public companies primarily in HR service industry and are similar to us in size, stage of life cycle, and financial leverage. We intend to continue to consistently apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of our own common stock share price becomes available, or unless circumstances change such that the identified companies are no longer similar to us, in which case, more suitable companies whose share prices are publicly available would be utilized in the calculation.
- We declared special dividends in May 2011, March 2012 and August 2013. These dividends are considered extraordinary and non-recurring event. Consequently, we used an expected dividend yield of zero.

We estimate forfeitures based on historical forfeitures of equity awards and adjust the rate to reflect voluntary termination behaviors as well as trends of actual forfeitures. We will continue to evaluate our estimated forfeiture rate if actual forfeitures differ from our initial estimates. Quarterly changes in the estimated forfeiture rate can have a significant impact on our share-based compensation expense as the cumulative effect of adjusting the rate is recognized in the period the forfeiture estimate is changed.

The following table sets forth the assumptions made with respect to these assumptions for the periods presented:

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
Expected volatility	50%	48%	46%	46%	48%
Expected term (in years)	6.00	5.77	6.04	6.03	6.04
Risk-free interest rate	2.04%	2.29%	1.01%	1.03%	1.22%
Expected dividend yield	0%	0%	0%	0%	0%
Weighted-average fair value per share	$4.33	$4.04	$3.01	$ 3.17	$ 7.59

These assumptions represent management's best estimates which involve inherent uncertainties and the application of management's judgment. If facts and circumstances change and different assumptions are used, our share-based compensation expense could be materially different in the future. As we continue to accumulate additional data related to our common stock, we may have refinements to our estimates, which could materially impact our future share-based compensation expense.

Common Stock Valuations

We are required to estimate the fair value of our common stock underlying our share-based awards when performing the fair value calculations with the Black-Scholes option-pricing model. The fair values of our common stock underlying our share-based awards were determined by our board of directors, with input from management and contemporaneous valuations. We believe that our board of directors has the relevant experience and expertise to determine the fair value of our common stock. Our board of directors determined the fair value of our common stock on each date of grant based on a number of factors including:

- a contemporaneous valuation analysis performed by an independent valuation firm;
- our performance, growth rate, financial condition and future financial projections at the approximate time of the option grant;
- the value of companies that we consider peers based on a number of factors including, but not limited to, similarity to us with respect to industry, business model, stage of growth, financial risk or other factors;
- changes in our business and our prospects since the last time our board of directors approved option grants and made a determination of fair value;
- lack of marketability of our common stock;
- likelihood of achieving a liquidity event, such as an initial public offering or a merger or acquisition of our company given prevailing market conditions; and
- the rights, preferences and privileges of our preferred stock relative to those of our common stock.

For the periods presented, in the absence of a public trading market of our common stock, our board of directors exercised reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock in accordance with the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* . In valuing our common stock, our board of directors determined the equity value of our business, based on an independent contemporaneous valuation analysis generally using the income approach, and the market comparable approach valuation methods. The income approach estimates value based on the expectation of future cash flows that a company will generate—such as cash earnings, cost savings, tax deductions, and proceeds from disposition. The value beyond the projection period was captured using the Gordon Growth Model. These future cash flows and terminal value were discounted to their present values using a discount rate derived from an analysis of the cost of capital of comparable publicly traded companies in our industry or similar lines of business as of each valuation date and is adjusted to reflect the risks inherent in our cash flows forecast.

The market comparable approach estimates value based on a comparison of the subject company to comparable public companies in a similar line of business. From the comparable companies, a representative market value multiple is determined which is applied to the subject company's operating results to estimate the value of the subject company. In our valuations, the multiple of the comparable companies was determined using a ratio of the market value of invested capital less cash to each of trailing 12-month Adjusted EBITDA and the forecasted Adjusted EBITDA for the then-current fiscal year. To determine our peer group of companies, we selected public companies in the HR-related service industry.

Once we determined an equity value, we utilized the option pricing method, or OPM, to allocate the equity value to each of our classes of stock. OPM values each equity class by creating a series of call options on our equity value, with exercise prices based on the liquidation preferences, participation rights, and strike prices of derivatives. Lastly, we applied a marketability discount to the resulting common stock value to reflect the increased risk arising from the inability to readily sell the shares in a liquid market.

The OPM is generally preferred when future outcomes are difficult to predict and dissolution or liquidation is not imminent. Starting in July 2013, due to greater clarity on potential exit scenarios, we began using a hybrid

of the Probability Weighted Expected Return Method, or PWERM, and OPM, to allocate our equity value among the various outcomes, where two main scenarios were considered:

- An initial public offering, or IPO, of our common stock in the near term, where the common stock value was determined based on expected implied enterprise values at the time of the IPO; or
- A sale or merger scenario, which captured the value of the common stock if a near-term IPO is not completed and the company remains privately-held until it actively pursues a sale or merger, based on the income approach and the market approach.

In the IPO scenario, a range of enterprise and equity values is estimated based on public company comparable Adjusted EBITDA and net income multiples which were applied to Adjusted EBITDA and net income estimates by, and expectations of, our board of directors and management. For each equity value scenario, we determined the appropriate aggregate value to be allocated to holders of our shares of common stock based on the rights and preferences of each class and series of our stock at that time. Next, we estimated the timing of possible IPO dates and applied a discount rate, based on our estimated cost of capital, to the implied future equity values to account for the time-value of money. We then multiplied the discounted value of common stock under each scenario by an estimated probability for each of the possible events, resulting in a probability-weighted value per share of common stock. Finally, we applied a discount for lack of marketability to the weighted value per share to determine a value per common share. As noted, application of this approach involves the use of estimates, judgment and assumptions, such as future cash flows and selection of comparable companies. Changes in our assumptions or the interrelationship of those assumptions impacted the valuations as of each valuation date.

The sale or merger scenario was performed in a manner similar to how our valuations had been done prior to July 2013, where our enterprise value was determined based on the income and market approaches, and the equity value was allocated among the securities comprising our capital structure using the OPM.

Upon introduction of the IPO scenario, we assigned an increasing probability to the initial public offering scenario at each valuation date compared to the other scenarios, assuming a 80% probability beginning July 2013. We have assumed a higher probability of an initial public offering because of our belief that consummating an initial public offering will increase awareness of our company among potential clients and improve our competitive position, thereby facilitating growth.

When considering comparable public companies for the purposes of valuing our common stock, we utilized comparable company sets primarily composed of public companies in the HR-related service industry. We believed that these companies had service offerings, cost structures and compliance environments generally similar to our own and we therefore believed that these companies were comparable to us for the purposes of valuing our common stock. All the material factors considered as of each option grant date are explained below.

The following table summarizes, by grant date, information regarding stock options granted from January 1, 2012 through September 30, 2013:

Option Grant Date	Number of Shares Underlying Options	Exercise Price Per Share	Common Stock Fair Value Per Share
February 9, 2012	370,000	$ 7.25	$ 7.25
March 6, 2012	675,000	$ 7.25	$ 7.25
July 30, 2012	243,780	$ 6.37	$ 6.37
November 14, 2012	182,000	$ 6.37	$ 6.37
February 5, 2013	110,000	$ 8.62	$ 8.62
March 13, 2013	1,283,200	$ 16.40	$ 16.40
May 8, 2013	100,000	$ 16.40	$ 16.40
June 5, 2013	18,000	$ 16.40	$ 16.40
July 10, 2013	228,000	$ 26.42	$ 26.42
August 13, 2013	52,500	$ 26.42	$ 26.42

The aggregate intrinsic value of vested and nonvested stock options as of September 30, 2013, based on a price of $ per share, the midpoint of the price range set forth on the cover of this prospectus, was $ million and $ million, respectively.

The following discussion relates primarily to our determination of the fair value per share of our common stock for purposes of calculating share-based compensation costs since January 2012. No single event caused the valuation of our common stock to increase or decrease. Instead, a combination of the factors described below in each period led to the changes in the fair value of our common stock. Notwithstanding the fair value reassessments described below, we believe we applied a reasonable valuation method to determine the stock option exercise prices on the respective stock option grant dates.

February 2012

Based on our assessment of future growth potential and our financial forecasts for each of the four years ended December 31, 2015, an independent contemporaneous valuation analysis was performed in December 2011. The results of the valuation indicated the fair value of our common stock to be $7.25 per share as of December 1, 2011. The primary valuation considerations were:

- an enterprise value determined from a weighted average of the market-based approach (50% weighting) and income approach (50% weighting);
- the market-based approach utilized a mean peer group multiple of 10.0x trailing 12 months Adjusted EBITDA and 9.5x 2011 estimated Adjusted EBITDA;
- the income approach utilized a terminal value based on the Gordon Growth model, using a capitalization rate of 17% based on a discount rate of 22 % and a long term growth rate of 5%;
- a discount rate of 22%, based on our estimated weighted average cost of capital; and
- a lack of marketability discount of 41% was applied to reflect the fact that private company common stock is not directly comparable to the value of publicly traded shares due to the fact that stockholders of private company common stock do not have access to the same type of trading markets that stockholders of publicly traded companies possess.

Our indicated enterprise value was allocated to the shares of preferred stock, common stock and options using an OPM. The OPM utilized the following assumptions: a time to liquidity event of 3.45 years; a risk free rate of 0.54%; and volatility of 60% over the time to a liquidity event. Estimates of the volatility of our common stock were based on available information on the volatility of common stock of comparable, publicly traded companies.

Based on the factors noted above and the most recent available contemporaneous valuation, our board of directors determined that the fair value of our common stock was $7.25 per share and granted option awards with an exercise price of $7.25 per share on February 9, 2012. For financial reporting purposes, we determined the fair value of our common stock for option awards granted in February 2012 to be at $7.25 per share.

March 2012

Given that the option grants made on March 6, 2012 occurred approximately 30 days after the option grants made on February 9, 2012 and that there were no significant changes to the business or our prospects during this period, we used the same analysis in assessing the fair value of our common stock as of March 6, 2012 that we did for our assessment as of February 9, 2012.

July 2012

Subsequent to obtaining a $140.0 million credit facility in connection with a special dividend payment of $3.13 per share in March 2012 and our acquisition of Accord in April 2012, an independent contemporaneous valuation analysis was performed with our updated forecast and capital structure. The results of the valuation indicated the fair value of our common stock to be $6.37 per share as of May 17, 2012. The valuation was completed in June 2012 and the primary valuation considerations were:

- an enterprise value determined from a weighted average of the market-based approach (50% weighting) and income approach (50% weighting);

- the market-based approach utilized a mean peer group multiple of 8.5x trailing 12 months Adjusted EBITDA and 7.0x 2012 estimated Adjusted EBITDA;
- the income approach utilized a terminal value based on the Gordon Growth model, using a capitalization rate of 15.0% based on a discount rate of 20% and a long-term growth rate of 5%;
- a discount rate of 20%, based on our estimated weighted average cost of capital; and
- a lack marketability discount of 38.8% was applied to reflect the fact that private company common stock is not directly comparable to the value of publicly traded shares due to the fact that stockholders of private company common stock do not have access to the same type of trading markets that stockholders of publicly traded companies possess.

Our indicated enterprise value was allocated to the shares of preferred stock, common stock and options using an OPM. The OPM utilized the following assumptions: a time to liquidity event of three years; a risk free rate of 0.40%; and volatility of 60% over the time to a liquidity event. Estimates of the volatility of our common stock were based on available information on the volatility of common stock of comparable, publicly traded companies.

The decrease from $7.25 per share as of December 2011 was primarily attributed to the payment of the dividend in March 2012 and offset by changes in valuation assumptions related to changes in our forecasts and comparable public-company multiples, discount for lack of marketability due to the passage of time to an exit event.

Based on the factors noted above and the most recent contemporaneous valuation available, our board of directors determined that the fair value of our common stock was $6.37 per share and, we granted option awards with an exercise price of $6.37 per share on July 30, 2012. For financial reporting purposes, we determined the fair value of our common stock for option awards granted in July 2012 to be at $6.37 per share.

November 2012

Given there were no significant changes to the business or our prospects since May 2012, we granted option awards on November 14, 2012 with an exercise price of $6.37 per share based on the most recent contemporaneous valuation available as of May 17, 2012.

February 2013

In October 2012, based on our assessment of future growth potential, we revised our financial forecasts for each of the four years ended December 31, 2015, and an independent contemporaneous valuation analysis was performed by using our updated forecast. The results of the valuation indicated the fair value of our common stock to be $8.62 per share as of October 15, 2012. The valuation was completed in November 2012 and the primary valuation considerations were:

- an enterprise value determined from a weighted average of the market-based approach (50% weighting) and income approach (50% weighting);
- the market-based approach utilized a mean peer group multiple of 8.5x trailing 12 months Adjusted EBITDA and 7.0x 2013 estimated Adjusted EBITDA;
- the income approach utilized a terminal value based on the Gordon Growth model, using a capitalization rate of 14% based on a discount rate of 19% and a long-term growth rate of 5%;
- a discount rate of 19%, based on our estimated weighted average cost of capital; and
- a lack marketability discount of 31% was applied to reflect the fact that private company common stock is not directly comparable to the value of publicly traded shares due to the fact that stockholders of private company common stock do not have access to the same type of trading markets that stockholders of publicly traded companies possess.

Our indicated enterprise value was allocated to the shares of preferred stock, common stock and options using an OPM. The OPM utilized the following assumptions: a time to liquidity event of approximately 2.6

years; a risk free rate of 0.31%; and volatility of 49% over the time to a liquidity event. Estimates of the volatility of our common stock were based on available information on the volatility of common stock of comparable, publicly traded companies.

The increase from $6.37 per share to $8.62 was primarily attributed to the changes in valuation assumptions related to changes in our forecasts, comparable public-company multiples, discount for lack of marketability due to the passage of time to an exit event.

Based on the factors noted above and the most recent contemporaneous valuation available, our board of directors determined that the fair value of our common stock was $8.62 per share and, we granted option awards with an exercise price of $8.62 per share on February 5, 2013. For financial reporting purposes, determined the fair value of our common stock for option awards granted in February 2013 to be at $8.62 per share.

March 2013

In January 2013, based on our assessment of future growth potential, we revised our financial forecasts for each of the four years ended December 31, 2015, and an independent contemporaneous valuation analysis was performed by using our updated forecast. The results of the valuation indicated the fair value of our common stock to be $16.40 per share as of February 8, 2013. The valuation was completed in March 2013 and the primary valuation considerations were:

- an enterprise value determined from a weighted average of the market-based approach (50% weighting) and income approach (50% weighting);
- the market-based approach utilized a mean peer group multiple of 9.5x trailing 12 months Adjusted EBITDA and 6.5x 2013 estimated Adjusted EBITDA;
- the income approach utilized a terminal value based on the Gordon Growth model, using a capitalization rate of 14% based on a discount rate of 19% and a long-term growth rate of 5%;
- a discount rate of 19%, based on our estimated weighted average cost of capital; and
- a lack of marketability discount of 15% was applied to reflect the fact that private company common stock is not directly comparable to publicly traded shares due to the fact that stockholders of private companies do not have access to the same type of trading markets as stockholders of publicly traded companies.

Our indicated enterprise value was allocated to the shares of preferred stock, common stock and options using an OPM. The OPM utilized the following assumptions: a time to liquidity event of one year; a risk free rate of 0.14%; and volatility of 33% over the time to a liquidity event. Estimates of the volatility of our common stock were based on available information on the volatility of common stock of comparable, publicly traded companies.

The increase from $8.62 per share to $16.40 was primarily attributed to the changes in valuation assumptions related to estimated timing of an exit event, our forecasts, comparable public-company multiples and discount for lack of marketability.

Based on the factors noted above and the most recent contemporaneous valuation available, our board of directors determined that the fair value of our common stock was $16.40 per share and, we granted option awards with an exercise price of $16.40 per share on March 13, 2013. For financial reporting purposes, we determined the fair value of our common stock for option awards granted in March 2013 to be at $16.40 per share.

May and June 2013

In estimating the fair value of our common stock to set the exercise price of such options, our board of directors considered the most recent contemporaneous valuation available for our common stock as of February 8, 2013 and there were no significant changes to the business or our prospects. We granted option awards in May and June 2013 with an exercise price of $16.40.

July and August 2013

Starting in July 2013, due to greater clarity on potential exit scenarios, we began using a hybrid of the PWERM and OPM, to allocate our equity value among the various outcomes.

In July 2013, based on our assessment of future growth potential, we revised our financial forecasts for each of the four years ended December 31, 2015, and an independent contemporaneous valuation analysis was performed by using our updated forecast. The results of the valuation indicated the fair value of our common stock to be $26.42 per share as of July 1, 2013. The valuation was completed in August 2013 and the primary valuation considerations were:

For the sales and merger scenario:

- an enterprise value was determined from a weighted average of the market-based approach (50% weighting) and income approach (50% weighting);
- the market-based approach utilized a mean peer group multiple of 9.5x trailing 12 months Adjusted EBITDA, 9x 2013 estimated Adjusted EBITDA and 8x 2014 estimated Adjusted EBITDA, and a mean peer group multiple of 16.0x trailing 12 months Adjusted Net Income, 16.0x 2013 estimated Adjusted Net Income and a 13.5x 2014 estimated Adjusted Net Income;
- the income approach utilized a terminal value based on the Gordon Growth model, using a capitalization rate of 14% based on a discount rate of 19% and a long-term growth rate of 5%; and
- we used a discount rate of 19%, based on our estimated weighted average cost of capital.

Our indicated enterprise value was allocated to shares of preferred stock, common stock and options using an OPM. The OPM utilized the following assumptions: a time to liquidity event of one year; a risk free rate of 0.12%; and volatility of 44% over the time to a liquidity event. Estimates of the volatility of our common stock were based on available information on the volatility of common stock of comparable, publicly traded companies.

For the IPO scenario:

- the PWERM utilized a mean peer group multiple of 9.5x trailing 12 months Adjusted EBITDA, 9.0x 2014 estimated Adjusted EBITDA and 8.0x 2015 estimated Adjusted EBITDA, and a mean peer group multiple of 16.0x trailing 12 months Adjusted Net Income, 16.0x 2014 estimated Adjusted Net Income and 13.5x 2015 estimated Adjusted Net Income; and
- we used a discount rate of 22.5%, based on our estimated cost of equity.

Lack of marketability discounts of 15% and 17% were applied to IPO and sales or merger scenarios, respectively, to reflect the fact that private company common stock is not directly comparable to the value of publicly traded shares due to the fact that stockholders of private company common stock do not have access to the same type of trading markets that stockholders of publicly traded companies possess.

The increase from $16.40 per share to $26.42 was primarily attributed to the changes in valuation assumptions related to estimated timing of an exit event, our forecasts, comparable public-company multiples and discount for lack of marketability.

At the time our board of directors approved the option grants on July 10, 2013, our most recent available valuation analysis indicated a fair value of $16.40 per share. Our board of directors set the exercise price per share at $16.40, consistent with the indicated fair value reflected in the valuation analysis. However, as discussed above, a valuation analysis as of July 1 that was finalized in August, which analysis reflected a fair value of our common stock of $26.42. As a result, we increased the exercise prices of such options to $26.42 on the basis of the recent analysis.

Based on the factors noted above and the most recent contemporaneous valuation available, our board of directors determined that the fair value of our common stock was $26.42 per share and, we granted option awards with an exercise price of $26.42 per share on August 13, 2013. For financial reporting purposes, we determined the fair value of our common stock for option awards granted in July and August 2013 to be at $26.42 per share.

Income Taxes

We are subject to income taxes in the United States and Canada and we conduct our business primarily in the United States. Significant judgments are required in determining our provision for income taxes and income tax assets and liabilities, including evaluating uncertainties in the application of accounting principles and complex tax laws.

We use the asset and liability method to account for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and net operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

For transactions and calculations for which the ultimate tax determination is uncertain, we recognize tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite the belief that our tax return positions are supportable, we believe that certain positions may not be more likely than not of being sustained upon review by tax authorities. As of December 31, 2012 and September 30, 2013, we had recognized tax liabilities of approximately $3.3 million and $3.0 million, respectively, related to uncertain income tax positions.

We periodically evaluate if it is more likely than not that some or all of the deferred tax assets will be realized. In making such determination, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial performance. In order to support a conclusion that a valuation allowance is not needed, positive evidence of sufficient quantity and quality (objective compared to subjective) is necessary to overcome negative evidence. Because certain federal and state net operating loss carryforwards may not be utilized prior to expiration, a valuation allowance on our deferred tax asset balance was recognized as of December 31, 2012.

We believe that our accruals for tax liabilities are adequate for all open audit years based on our assessment of many factors, including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. We do not anticipate any adjustments would result in a material change to our financial position. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

In March 2011, we executed a settlement agreement with the IRS Office of Appeals providing for our payment of $3.2 million, effectively closing the IRS' examination of Gevity's consolidated U.S. income tax returns for 2002 through 2004, with the exception of a continuing refund claim for employment tax credits of $3.2 million. IRS examinations with respect to Gevity's tax years 2005 through June 1, 2009 were concluded during 2012. However, revenue agent reports issued in connection with notices of proposed assessments disallowing employment tax credits totaling $10.5 million are subject to further consideration by the IRS Office of Appeals. Additionally, we, together with the IRS Office of Appeals and the IRS examination team, formally requested a technical advice memorandum, or TAM, from the IRS to determine our ability to realize FICA tip tax credits on its federal corporate income tax returns as a statutory employer. The TAM, issued on August 29, 2013 by the IRS's National Office, reached an unfavorable conclusion for us. We are requesting reconsideration from the IRS's National Office because we believe some facts were misstated or misinterpreted in the TAM and the TAM failed to completely respond to the ultimate request. However, we believe the reconsideration will be denied based on discussions with the IRS Office of Appeals. Should that be the case, we have requested alternative actions, including a request for revocation or prospective application based on statutory authority. With regard to the FICA tip tax matter, we believe it is more likely than not that we will prevail. Therefore, we have not recognized a reserve for this matter.

Quantitative and Qualitative Disclosures About Market Risk

As a result of our credit facilities, we are exposed to changes in interest rates. To mitigate this risk, we entered into an interest rate cap arrangement with a bank in May 2012, which we refer to as the May 2012 cap, to protect the interest payment cash flows through March 30, 2015 on our initial credit facility from adverse market interest changes due to fluctuations in the 3-month LIBOR benchmark interest rate with an initial notional amount of $51.8 million and final notional amount of $42.0 million at a strike price of 2%. Upon the amendment and restatement of our initial credit facility, the May 2012 cap was re-designated to hedge a portion of the amended and restated credit facility and subsequently our credit facility. In December 2012, we entered into an interest rate cap arrangement with another bank, which we refer to as the December 2012 cap, to hedge the interest payment cash flows of 50% of the incremental total loan balance through October 24, 2015. The December 2012 cap has an initial notional amount of $99.5 million and final notional amount of $137.6 million at a strike price of 2%. At inception, the interest rate caps were determined to be perfectly effective and were designated as a cash flow hedge for accounting purposes. With the new credit facilities entered into in August 2013, the timing of payments and interest rate basis have changed and no longer match the terms of the interest rate caps. As a result, the interest rate caps are no longer considered perfectly effective. With an increase in interest rates of 100 basis points at September 30, 2013, our interest expense for the remainder of 2013 would be $13.9 million and from 2014 through 2021 would be $334.6 million. On the other hand, with a decrease in interest rates of 100 basis points at September 30, 2013, our interest expense for the remainder of 2013 would be $9.8 million and from 2014 through 2021 would be $238.7 million.

We had cash and cash equivalents, restricted cash, restricted investments and payroll funds collected, interest bearing receivable in connection with workers compensation premiums totaling $447.0 million at September 30, 2013. Included in this amount was $39.4 million in time deposits and U.S. Treasuries. Our investments are made for capital preservation purposes. The cash and cash equivalents, restricted cash, payroll funds collected and workers compensation premium receivable are held for working capital purposes.

Our cash equivalents, payroll funds collected, workers compensation receivable and our investments are subject to market risk due to changes in interest rates. Fixed rate securities may have their market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors, our future investment income may fall short of expectation due to changes in interest rates or we may suffer losses in principal if we are forced to sell securities that decline in market value due to changes in interest rates. However, because we classify our debt securities as “available for sale,” no gains or losses are recognized due to changes in interest rates unless such securities are sold prior to maturity or declines in fair value are determined to be other-than-temporary. Our fixed-income portfolio is subject to interest rate risk.

An immediate increase or decrease in interest rates of 100-basis points at September 30, 2013 would not result in a material market value reduction or increase. This estimate is based on a sensitivity model that measures market value changes when changes in interest rates occur. Fluctuations in the value of our investment securities caused by a change in interest rates (gains or losses on the carrying value) are recorded in other comprehensive income, and are realized only if we sell the underlying securities.

BUSINESS

Company Overview

TriNet is a leading provider of a comprehensive human resources solution for small to medium-sized businesses, or SMBs. We enhance business productivity by enabling our clients to outsource their HR function to one strategic partner and allowing them to focus on operating and growing their core businesses. Our HR solution includes services such as payroll processing, human capital consulting, employment law compliance and employee benefits, including health insurance, retirement plans and workers compensation insurance. Our services are delivered by our expert team of HR professionals and enabled by our proprietary, cloud-based technology platform, which allows our clients and their employees to efficiently conduct their HR transactions anytime and anywhere. As of September 30, 2013, we served over 8,000 clients in 47 states, the District of Columbia and Canada and co-employed approximately 218,000 of our clients' employees, which we refer to as worksite employees, or WSEs. In 2012, we processed over $10 billion in payroll and health insurance premiums for our clients.

HR is a mission-critical function for businesses. Businesses of all sizes face increasing levels of complexity in managing HR processes, including regulatory pressures and escalating healthcare costs. These challenges are especially acute for SMBs, which typically lack the scale and capability to solve many of these issues on their own. In 2010, there were approximately 5.7 million SMBs that employed approximately 55 million people in the United States, or 49% of all U.S. employees, and represented over 99% of all U.S. employers. We estimate that in 2013 SMBs will spend approximately $90 billion on in-house HR resources, payroll processing and other HR services. We believe that this in-house approach is more challenging for SMBs to manage, and is less effective and more costly as compared to our comprehensive, outsourced solution. Therefore, we believe that this presents a significant opportunity for us to continue to penetrate and expand our presence in the SMB market.

We offer our clients a bundled solution that enables them to outsource their HR function to a single provider. We believe that the combination of our HR professionals, full suite of services, vertical market orientation, broad geographic reach and powerful technology platform enables us to solve the HR challenges of our SMB clients. Our solution helps reduce the complexity, cost and risk of managing the HR function for our SMB clients while helping SMBs better retain their employees. In addition, our tailored approach allows us to serve a diverse range of industries with varying levels of HR requirements. For our clients' employees, we provide access to high-caliber, big-company benefits, timely payroll processing and anytime and anywhere system access. We are also able to leverage our strong and diverse partner relationships to provide a broad and rich suite of services and benefits for our clients and their employees. We believe that this provides us with a highly referenceable customer base that allows us to further penetrate our target vertical markets.

Our proprietary, cloud-based technology platform and our team of HR professionals make HR transactions simple, seamless and efficient for employers and employees. Our platform functions as the core system of record for all of our clients' HR activities and allows our clients to enjoy 24/7, ubiquitous access. Our platform is also highly scalable, allowing us to efficiently add new clients and grow with our existing clients.

We sell our services primarily through our direct sales force, which we align around target vertical markets, including technology, life sciences, property management, professional services, banking and financial services, retail, manufacturing and hospitality services. We believe that our vertical market expertise and tailored service offerings are highly differentiated in the market and allow us to compete effectively.

Our total revenues consist of professional service revenues and insurance service revenues. For 2012 and the nine months ended September 30, 2013, 15% and 17% of our total revenues, respectively, consisted of professional service revenues, and 85% and 83% of our total revenues, respectively, consisted of insurance service revenues. We earn professional service revenues by processing HR transactions, such as payroll and employment tax withholding, and providing labor and benefit law compliance services, on behalf of our clients. We earn insurance service revenues by providing risk-based, third-party plans to our clients, primarily employee health benefit plans and workers compensation insurance.

For professional service revenues, we recognize as revenues the fees we earn for processing HR transactions, which fees do not include the payroll that is paid to us by the client and paid out to WSEs or remitted as taxes. We

recognize as insurance service revenues all insurance-related billings and administrative fees collected from clients and withheld from WSEs for risk-based insurance plans provided through third-party insurance carriers, primarily employee health insurance and workers compensation insurance. We in turn pay premiums to third-party insurance carriers for these insurance benefits, as well as reimburse them for claim payments within our insurance deductible layer. These premiums and reimbursements are classified as insurance costs on our statements of operations. To augment our financial information prepared in accordance with GAAP, we use internally a non-GAAP financial measure, Net Insurance Service Revenues, which consists of insurance service revenues less insurance costs. We also use a measure of total non-GAAP revenue, or Net Service Revenues, which is the sum of professional service revenues and Net Insurance Service Revenues. For 2012 and the nine months ended September 30, 2013, 55% and 66% of our Net Service Revenues, respectively, consisted of professional service revenues and 45% and 34% of our Net Service Revenues, respectively, consisted of Net Insurance Service Revenues.

We have grown our business organically and through strategic acquisitions. For 2010, 2011 and 2012, our total revenues were $906.2 million, $840.4 million and $1.0 billion, respectively, Net Service Revenues were $192.5 million, $189.3 million and $269.0 million, respectively, and our net income (loss) was $(9.6 million), $15.5 million and $31.8 million, respectively. For the nine months ended September 30, 2012 and 2013, our total revenues were $696.9 million and $1.2 billion, respectively, our Net Service Revenues were $178.5 million and $296.0 million, respectively, and our net income was $23.0 million and $7.1 million, respectively. For 2010, 2011 and 2012, our Adjusted EBITDA was $29.8 million, $47.3 million and $95.4 million, respectively. For the nine months ended September 30, 2012 and 2013, our Adjusted EBITDA was $61.5 million and $92.3 million, respectively.

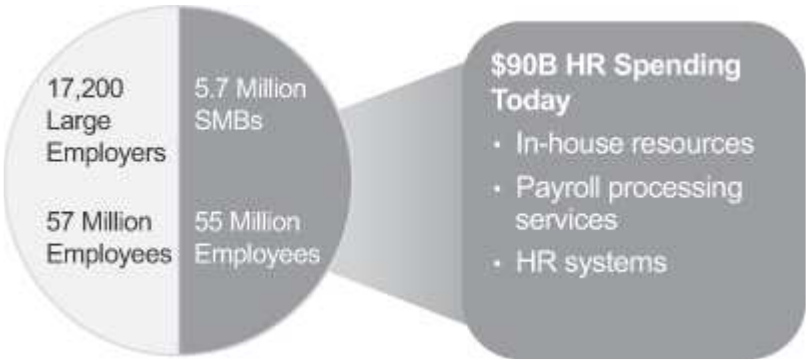
Our Market Opportunity

We serve the HR needs of SMBs in the U.S. The growing complexity of managing HR processes today presents a significant challenge for SMBs. Traditionally, SMBs have managed HR processes in-house through a range of separately delivered services rather than seeking a holistic and comprehensive solution, which we believe has further aggravated many of these challenges. We believe that a bundled HR solution better addresses these needs and allows SMBs to focus in-house resources on business operations instead of managing HR activities. As a result, we believe that this represents a significant opportunity for TriNet's solution.

Large and Underpenetrated Market. SMBs employ a large percentage of the total employee base in the U.S. today. According to the U.S. Census Bureau, in 2010, approximately 55 million employees were employed by organizations with fewer than 500 employees, representing approximately 49% of U.S. employees. These SMBs comprised approximately 5.7 million business organizations, representing over 99% of U.S. employers.

Though smaller, these companies have HR needs similar to their larger counterparts, including payroll, employee benefits and many other HR services for employees, and spend significant amounts on managing these processes. We estimate that in 2013 SMBs will spend approximately $90 billion in providing HR services, and that most of this spending will be on in-house resources.

SMB Employee Base and Human Resources Spending



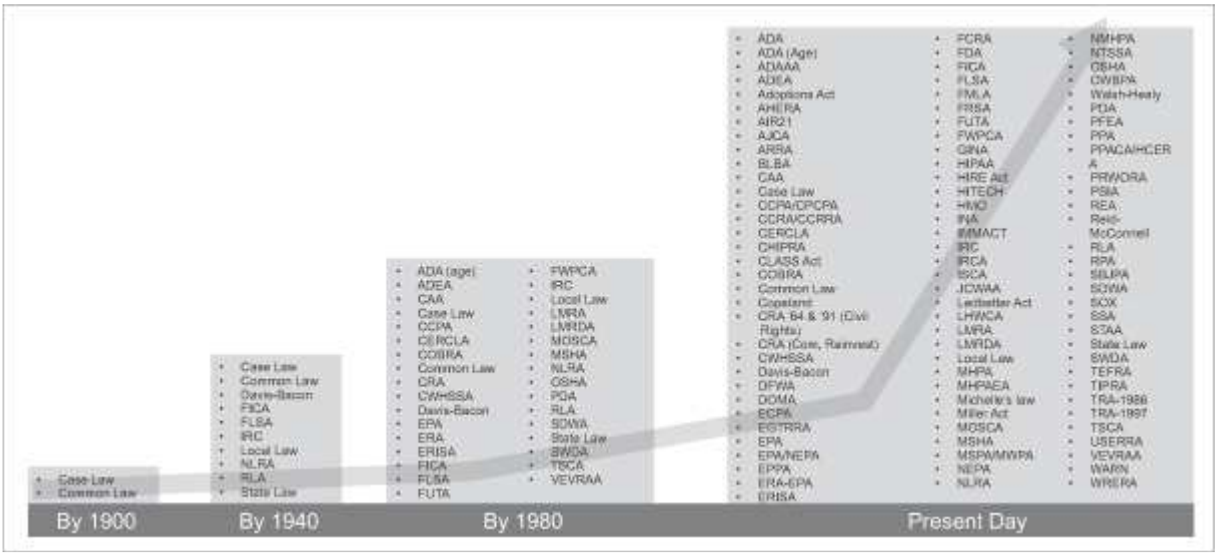
Based on data published by the National Association of Professional Employer Organizations, we estimate that in 2012 fewer than 5% of U.S. employees of businesses with fewer than 500 employees were part of a co-

employment arrangement, in which all or some portion of the HR function was outsourced to a single third-party provider such as TriNet. We believe that our growth opportunity is primarily a function of our ability to increase our penetration of the SMB market.

We believe that we can grow our business in periods of both expanding and contracting macroeconomic conditions. During periods of economic stability and growth, employer payrolls grow and unemployment falls. As clients add employees and grow along with the broader economy, the demand for HR-related services grows as well. In the SMB segment in particular, a rebounding economy also positively impacts new business creation, which helps expand the addressable market for our solution. During periods of declining economic conditions, we believe that our bundled services are attractive to SMBs looking to control costs and drive efficiencies.

HR Management Increasing in Complexity . The HR function is becoming increasingly complex. The scope of responsibilities and demands on HR departments continues to expand beyond the management of payroll and benefits as firms compete to attract, retain and motivate employees. In addition, external pressures continue to mount as firms must deal with the increased complexity of the laws and regulations that govern the provision and administration of HR services, including effectively managing multiple and disparate state and federal laws and regulations. As a recent example, the Patient Protection and Affordable Care Act, enacted in March 2010, imposes a staggered schedule of sweeping health care reforms, which began in 2010 and will continue through 2018, and which will put increased burdens on many employers.

The Growing Burden of Employment Law and Regulation



Source National Association of Professional Employer Organizations

Additionally, organizations both large and small recognize the strategic importance of the HR function. Traditionally, HR processes were viewed as manual, back-office processes, such as payroll and benefits, that had little impact on business performance. Today, however, we believe that management teams are increasingly reliant on HR organizations to help them gain competitive advantages in the marketplace. They recognize that taking a strategic approach to HR allows them to acquire best-in-class talent, align workforce goals with company objectives, drive performance and productivity, and develop and mentor future leaders. These organizations also harness the benefits of technology platforms to drive efficiency and effectiveness by automating and improving processes that were once manually driven.

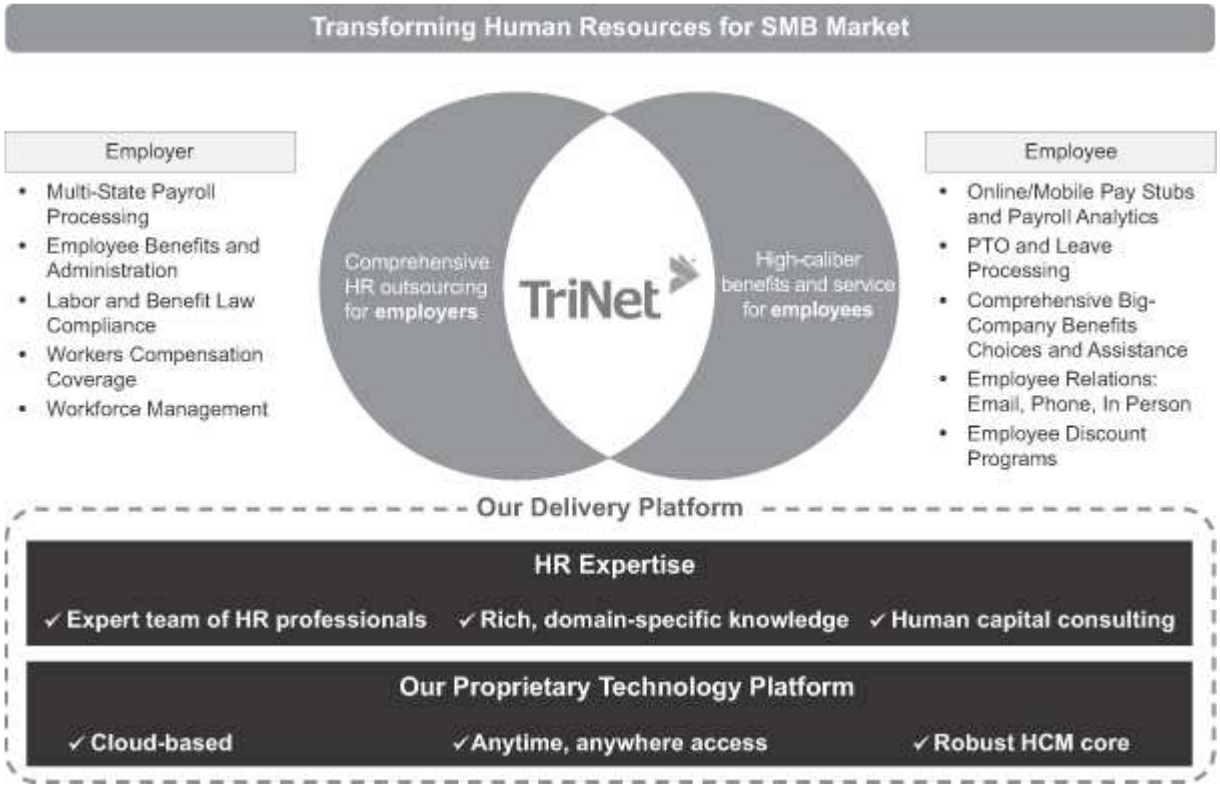
Challenges Are Especially Acute for SMBs. SMBs typically confront an array of challenges as they seek to address increasingly complex HR requirements. These organizations frequently lack the dedicated and specialized personnel and systems that are necessary to provide complex HR solutions. According to The Bureau of National Affairs, Inc., in 2013, 39% of the smallest (fewer than 250 workers) organizations surveyed do not

have an HR specialist on staff. Conversely, 90% of the largest (more than 2,500 workers) organizations surveyed have at least one employee devoted to just one or two areas of HR.

A large portion of HR-related spending by SMBs has traditionally been on a range of disparate products and services, where companies utilize a combination of third-party service and technology providers and in-house resources to administer the HR function. This approach has often resulted in SMBs using different providers for payroll processing and the provision of employee benefits, such as health insurance, retirement plans and workers compensation insurance. We believe that this approach of utilizing a combination of various third-party providers further complicates the delivery of HR services, dilutes the benefit that HR processes can have on an organization, and is typically more costly than a bundled solution. Additionally, SMBs typically cannot afford to invest in a comprehensive technology platform to manage their HR processes and often lack the scale required to negotiate favorable employee health benefit and workers compensation plan terms with insurance companies and other large employee benefits providers. As a result, we believe that SMBs will increasingly look to a bundled solution to help solve these issues.

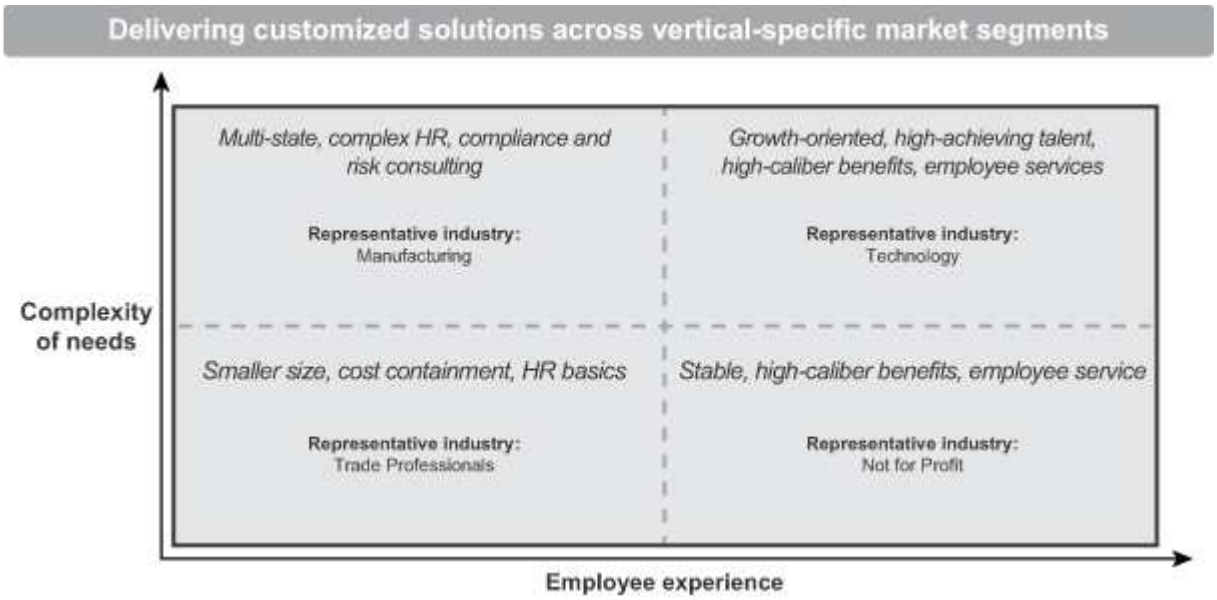
Our Solution

We offer our clients a bundled solution that enables them to outsource their HR function to a single, trusted provider so they can focus on operating and growing their core businesses. Our bundled solution, which includes services such as payroll processing, human capital consulting, employment law compliance, employee health benefits, workers compensation and strategic human capital services, holistically addresses the HR needs of both our clients and their employees. For each of our clients, we offer timely payroll processing and access to a team of HR professionals with specific knowledge of its industry to help reduce the complexity, cost and risk of managing the HR function, while helping them better retain their workforce. For employees, we provide access to high-caliber, big-company benefits and other services such as expert HR guidance and anytime, anywhere access to comprehensive HR information and services. We leverage our strong and diverse partner relationships to provide a broad and rich suite of services for our clients and their employees.



Our vertical market expertise allows us to tailor our services for our target industries, which helps to further embed us within our clients and helps us to deliver meaningful business impact. Our solution is delivered by a team of HR professionals with expertise in our clients' industries, enabled by our proprietary, cloud-based technology platform, which simplifies the day-to-day HR transactions of our clients and their employees. Our platform provides SMBs with the knowledge and features of large-business support and technology, as well as anywhere and any-device access to their HR systems. Our technology platform is also highly scalable, allowing our clients to efficiently add new employees and us to grow with our existing clients. Its seamless integration with partner systems allows single-sign-on functionality that enhances the employee and employer experience.

We serve a number of large vertical markets. Businesses in these vertical markets have HR requirements that vary across two primary dimensions, as depicted in the diagram below: (1) the complexity of HR needs and (2) the importance of employee benefits and a high touch service experience. We believe that our ability to address our target vertical markets across these dimensions is a clear competitive differentiator.



Our Competitive Advantages

We believe that we have the following key competitive advantages:

Comprehensive Suite of HR Capabilities. We are the strategic HR partner to our clients. Our innovative bundled solution, developed over our 25-year operating history, allows our clients to outsource their HR function to a single provider in an effective and cost-efficient manner. As the provider of a bundled solution, we deliver our services in a coordinated and comprehensive manner, which provides significant value to our clients by reducing the complexity of managing the HR function. The services that we provide are delivered through a combination of HR professionals and our proprietary, cloud-based technology platform. Each TriNet client is guided by a team of HR professionals with expertise in both complex and day-to-day HR questions and challenges, ensuring a high level of customer service and attention throughout the client's organization. In addition to our core HR services such as payroll processing and consulting, we also offer our clients and their employees access to a broad range of big-company employee benefits plans in all 50 states, and our risk management tools allow us to significantly mitigate employer risk, such as compliance, legal and related risks, including workers compensation and employee practices liability insurance.

Deep Vertical Market Expertise. We focus on serving clients in specific industry vertical markets. We have developed deep expertise around the HR functions within our target industries, which enables us to provide our clients with a solution tailored to the industries in which they operate. Our direct sales force and go-to-market

strategy is aligned with these vertical markets, which enhances our client value proposition and allows us to leverage our strong institutional knowledge to further expand our presence within these target industries. We believe that this verticalized approach allows us to target clients across a range of industries in which SMBs have varying levels of need for services based on the complexity of their HR environment and required employee experience.

Proprietary, Cloud-Based Technology Platform. Our proprietary, cloud-based technology platform enables our clients and their employees to conduct their HR transactions anytime and anywhere. Our platform offers online self-service tools for managing employee payroll, creating compensation reports, managing employee hiring and termination and managing health benefits. As a result of our long-standing partnerships and the significant investments that we have made in our platform, our technology and benefits services partners are able to integrate their systems with our platform, allowing employees to access a unified view of all of their pertinent HR information. In addition, our platform allows clients to leverage information about their workforce in real time to keep tactical HR demands under control. Our platform is also highly scalable, which allows our clients to efficiently add new employees.

Scale. We are able to leverage our national presence and large WSE base to provide a comprehensive and cost-effective solution to our clients. SMBs typically lack the scale required to negotiate favorable employee health benefit plan prices and other features with insurance companies and other large employee benefits providers. Leveraging the economies of scale arising from serving approximately 218,000 employees, we are able to make significant investments in our technology platform and are typically able to secure a broader range of benefits plans at rates and with features that are more competitive than those that an SMB would be able to procure on its own. In addition, our scale has allowed us to specialize our workforce by industry vertical markets and deliver more relevant services to our clients.

Strong Strategic Partnerships. We have developed strong relationships with our insurance and risk management partners, as well as other vendors and suppliers, which we believe enable us to provide a broader array of services to our clients and their employees more cost-effectively than if they attempted to purchase these offerings themselves. We have long-standing relationships with large health benefits insurers, such as Aetna, Blue Shield of California, Blue Cross and Blue Shield of Florida, Kaiser Permanente, MetLife and United Healthcare, as well as retirement plan providers, such as Transamerica Retirement Services and MassMutual. We believe that we are a valuable partner for our insurance and other service vendors, as we provide them with an attractive channel to the hard-to-reach SMB market through our large scale presence across the U.S. and Canada, and across a wide range of industry vertical markets.

Our Growth Strategies

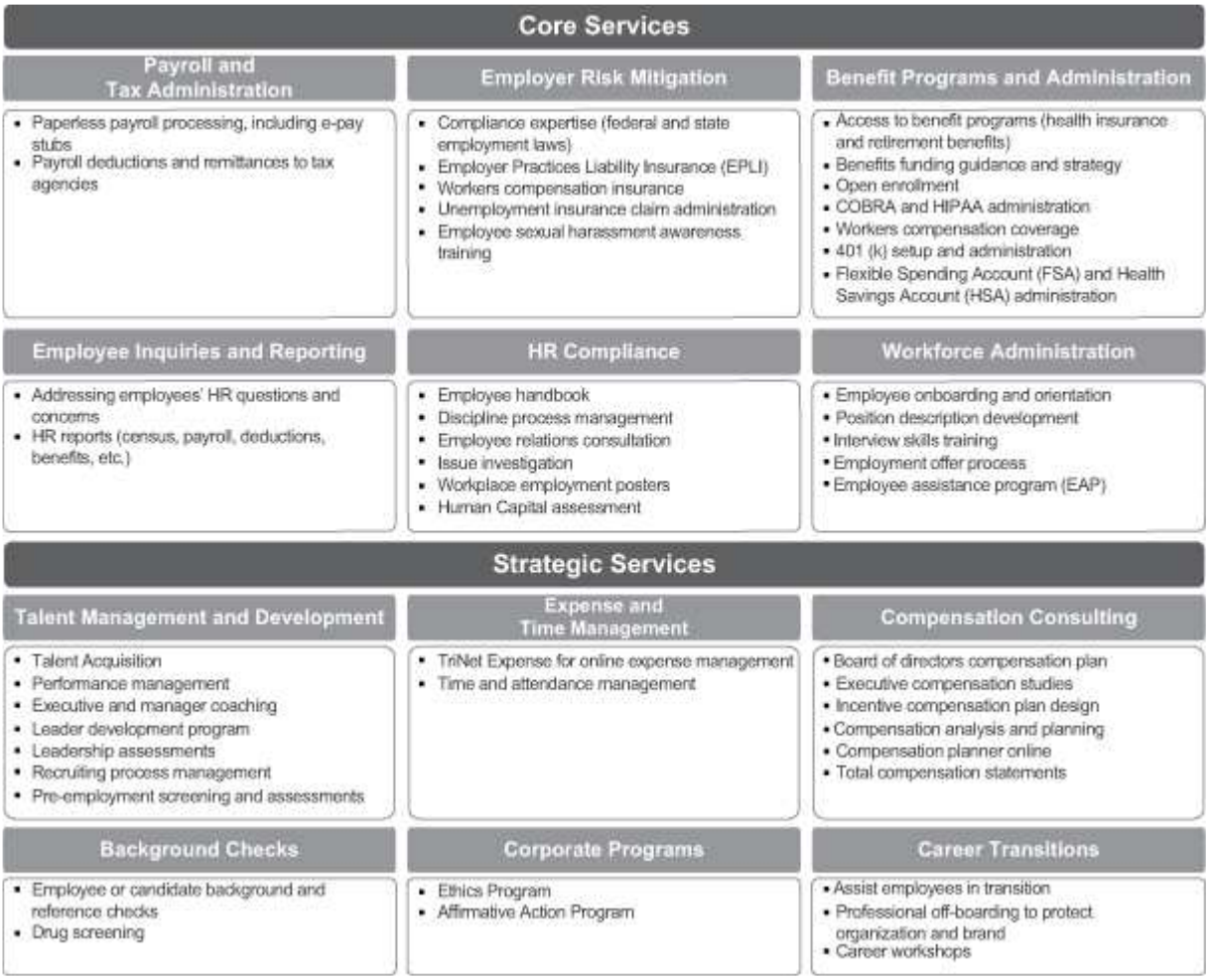
Our goal is to become the leading HR solutions provider to SMBs. Our strategies to achieve that goal include the following:

- ***Continue to Penetrate the SMB Market Using Our Vertical Market Approach.*** Our focus on serving clients in specific industry vertical markets has given us deep, substantive knowledge of the HR needs facing SMBs in those industries. This enables us to provide a bundled solution of services to each client that is tailored to its specific needs and better enables us to attract sales professionals with industry expertise. We intend to continue this focus on industry vertical markets. We also regularly assess additional and new industry vertical markets and intend to add them, either through acquisition or internal development, selectively based on what we believe the market opportunity is.
- ***Expand Our Direct Sales Force.*** We believe that the SMB market remains significantly underpenetrated for a bundled HR solution such as ours. We intend to continue to invest in our direct sales force to enable us to identify and acquire new clients across our target vertical markets, in addition to expanding our sales force to target new vertical markets.
- ***Grow With Our Clients by Enhancing the Breadth and Quality of Our Services.*** We intend to continue to expand the breadth and quality of our HR solution. We believe that this will allow us to continue to enhance the value proposition for our clients and to grow with them by providing additional high-quality service offerings.

- ***Continue to Enhance Our Technology Platform.*** We intend to continue to invest in and improve our proprietary, cloud-based technology platform, including mobile applications, in order to provide our clients with enhanced features and functionality with which to conduct their HR transactions, manage employees and analyze employee benefits data. This may include acquiring or developing additional functionality or technology.
- ***Continue to Grow Through Strategic Acquisitions.*** We have successfully completed numerous strategic acquisitions over the course of the past decade, which has allowed us to enhance and expand our presence in both existing and new target industries, as well as expand our solution and technology platform. We intend to continue to pursue strategic acquisitions that will enable us to leverage our existing assets and offer our clients more comprehensive and attractive services.

Our Services

We provide a comprehensive suite of core HR services that allows our clients to outsource their HR function. We also provide a set of strategic services to support and enhance each stage of our clients' growth. Our services are supported by our network of HR experts and integrated through a single-sign-on, proprietary cloud-based SaaS platform, designed so that our clients have access to big-company benefits, excellent service and a scalable HR infrastructure. The following diagram depicts the services that we offer:



Benefits Programs and Risk Management

We provide benefits to our WSEs and clients under arrangements with a variety of vendors that provide employee benefit plans, workers compensation insurance and employee practices liability insurance. These agreements typically have a term of one year and generally may be terminated by either us or the insurance carrier partner on 90 days' notice.

Risk management is a core competency of our company. We leverage the insight that we have gained over our 25-year operating history as well as our robust risk management capabilities to mitigate the risks associated with providing workers compensation and employee benefit plans to our clients. Our programs are fully insured by top-rated insurance carriers, which limits our ultimate exposure or potential losses. We assess all workers compensation and medical benefits risks on an individual client basis and annually adjust pricing to reflect their current risk based on HIPAA-compliant analytics.

Employee Benefit Plans

We sponsor a number of fully-insured employee benefit plans, including group health, dental, vision and group and individual life insurance, legal services, commuter benefits, home insurance, critical illness insurance, pet insurance and auto insurance, as an employer plan sponsor under Section 3(5) of ERISA, 29 U.S.C. §1002(5). We estimate that approximately 40% of our 2013 health insurance premiums are for policies with respect to which our carriers set the premiums and we are not responsible for any deductible. The remainder of our health insurance premiums are for policies with respect to which we agree to reimburse our carriers for any claims that they pay within our deductible layer. Our agreements with our health insurance carriers with respect to these policies typically include limits to our exposure for individual claims, which we refer to as pooling limits, and limits to our maximum aggregate exposure for claims in a given policy year, which we refer to as stop losses. We manage the risk that we assume in connection with these policies by utilizing group risk assessments and HIPAA-compliant analytics and pricing these policies accordingly. Following our initial pricing of these policies, we analyze claims data for each client on an ongoing basis and seek to adjust our prices as appropriate.

We believe that our provision of group health insurance is one of the most important employee benefits we provide to our WSEs. We provide group health insurance coverage to our WSEs through a national network of carriers including Aetna, Blue Shield of California, Blue Cross and Blue Shield of Florida, Kaiser Permanente, MetLife and United Healthcare, all of which provide fully insured policies for our WSEs.

Workers Compensation Insurance

We provide fully-insured workers compensation insurance coverage to our WSEs through agreements that we negotiate with our third-party insurance providers Chartis, The Hartford, Lumberman's Mutual and American Zurich Insurance Company. These agreements typically obligate us to reimburse our carriers up to $1 million per claim. We manage the risk that we assume in connection with these policies by: being selective in terms of the types of businesses that we take on as clients; performing workplace assessment, safety consultation, accident investigation and other risk management services at our client locations to help prevent claims and remediate them when they occur; and monitoring claims data and the performance of our carriers and third-party claims management services to improve our actuarial projections.

Employment Practices Liability Insurance

We provide employment practices liability insurance, or EPLI, through several insurance carriers, including Allied World Assurance Company, Lexington Insurance Company and Beazley. Most of these policies, as is customary for such insurance policies, provide for a per-claim deductible. For most of our clients, the deductible is split evenly between the client and TriNet, with the client paying its half of the deductible first. Our legal department manages all employee practices liabilities claims processing and defense, while the actual litigation defense is conducted by one of several employment law firms that we retain to assist with the cases.

Our Technology Platform

We have a proprietary, cloud-based technology platform that allows clients and employees real-time access to a suite of secure online HR resources. Our platform functions as the core system of record for all of our clients' HR activities and allows our clients to enjoy 24/7, ubiquitous access. Through the use of our online self-service tools, managers can effectively manage employee hiring and termination, administer employee payroll, view real-time benefits data and create compensation reports. Single-sign-on system functionality allows employees to manage their own payroll information, enroll in benefits and view paystubs, W-2s and more. Employees can also view real-time workflow data, such as requests and approvals for personal time off. As a result of our long-standing partnerships and the significant investments that we have made in our platform, our technology and benefits services partners have integrated with our platform, allowing employees to access a unified view of all of their pertinent HR information.

We invest significant capital to create and offer state-of-the-art HR technology tailored to our vertical markets. Our proprietary, cloud-based platform enables us to provide our clients with the best and latest version of our software. We leverage our existing online platform to build additional products and features, including a full-service mobile platform.

We maintain a proprietary, cloud-based HR information system. Our clients receive the efficiencies of an enterprise-level platform without the significant cost of in-house installation or ongoing maintenance. Features include:

- multi-tenant system enabling multiple clients and WSEs to share one version of our system while isolating each client's and WSE's data;
- rule-based provisioning ensuring that all users are authenticated, authorized and validated before they can access our platform;
- redundant processing centers to protect client data from loss; and
- integrated benefits and payroll processing for faster, more accurate data; and flexible and extensible platform architecture.

From 2008 through 2012, we invested approximately $88.0 million in our technology platform. We plan to continue to invest to upgrade and improve our platform.

Sales and Marketing

We sell our solutions primarily through our direct sales organization, which consists of sales representatives, sales management and sales operations and support personnel. Our sales representatives focus on serving clients in specific vertical markets. The number of sales representatives has grown substantially in recent years, from 114 Total Sales Representatives as of December 31, 2010 to 301 Total Sales Representatives as of September 30, 2013. We recruit and hire sales professionals who have experience in a specific industry vertical market, and we also seek sales professionals with a background in selling business services such as accounting, HR or sales solutions. As of September 30, 2013, we have approximately 60 regional sales offices.

We also employ a broad range of awareness and demand-generation marketing programs, including billboards, digital and print advertising, e-mail, direct mail and social media. We have an internal public relations team that works with an external agency to promote relevant content to target media outlets. We sponsor and participate in associations and events around the country and utilize these forums to target specific vertical and geographic markets.

Clients

We serve thousands of clients in a variety of industries, including technology, life sciences, property management, professional services, banking and financial services, retail, manufacturing and hospitality services, as well as non-profit entities. We have grown our number of clients from approximately 5,600 as of December 31, 2010 to over 8,000 clients as of September 30, 2013. We have also grown our number of WSEs

from approximately 97,000 in 46 states as of December 31, 2010 to approximately 218,000 in 47 states, the District of Columbia and Canada as of September 30, 2013.

The Co-Employment Model

We deliver our services through a co-employment model, pursuant to which both we and our clients are employers of our clients' workforce. Our co-employment model affords us a close and embedded relationship with our clients and their employees. In this arrangement, we assume certain aspects of the employer/employee relationship, according to a contract between us and our client. Each of our clients enters into a client service agreement with us that defines the bundled suite of services and benefits to be provided by us, the fees payable to us, and the division of responsibilities between us and our client as co-employers. We currently co-employ employees only in the U.S. and Canada, but in some cases also provide payroll processing services for our clients' employees outside these countries utilizing third-party vendors. Each of our customer services agreements has a one-year term that guarantees its pricing terms and typically may be terminated by either party upon 30 days' prior written notice. The division of responsibilities under our client service agreements is typically as follows:

TriNet Responsibilities

- Payment to WSEs of salaries, commissions, bonuses, vacations, paid time off, sick pay, paid leaves of absence and severance payments as reported by the client, related tax reporting and remittance and processing of garnishment and wage deduction orders;
- maintenance of workers compensation insurance and workers compensation claims processing;
- provision and administration of employee benefits that we provide to the WSEs;
- compliance with applicable law for employee benefits offered to WSEs;
- processing of unemployment claims;
- provision and promulgation of HR policies, including an employee handbook describing the co-employment relationship; and
- HR consulting services.

Client Responsibilities

- Compliance with laws associated with the classification of employees as exempt or non-exempt, such as overtime pay and minimum wage law compliance;
- accurate and timely reporting to TriNet of compensation and deduction information, including information relating to salaries, commissions, bonuses, vacations, paid time off, sick pay, paid leaves of absence and severance payments;
- accurate and timely reporting to TriNet of information relating to workplace injuries, employee hires and termination, and other information relevant to TriNet's services;
- provision and administration of any employee benefits not provided by TriNet (e.g., equity incentive plans);
- compliance with all laws and regulations applicable to the client's workplace and business, including work eligibility laws, laws relating to workplace safety or the environment, laws relating to family and medical leave, laws pertaining to employee organizing efforts and collective bargaining and employee termination notice requirements; and
- all other matters for which TriNet does not assume responsibility under the client service agreement, such as intellectual property ownership and protection and liability for products produced and/or services provided.

As a result of our co-employment relationship with each of our WSEs, we are liable for payment of salary, wages and other compensation to the WSEs as reported by the client and are responsible for providing specified employee benefits to such persons, regardless of whether the client pays the associated amounts to us. In most

instances, clients are required to remit payment prior to the applicable payroll date by wire transfer or automated clearinghouse transaction. Although we are ultimately liable under the terms of our client service agreements, as the employer for payroll purposes, to pay employees for work previously performed, we are not obligated to continue to provide services to the client if payment has not been made. For the nine months ended September 30, 2013, our bad debt expense was approximately $0.3 million.

We also assume responsibility for payment and liability for the withholding and remittance of federal and state income and employment taxes with respect to wages and salaries paid to WSEs. In the event we fail to meet these obligations, the client may be held ultimately liable for those obligations. We secure insurance to ensure that our clients are not required to be responsible for taxes in the event we fail to meet these obligations.

U.S. Legal and Regulatory Environment

General

Numerous federal and state laws and regulations relating to employment matters, benefit plans and income and employment taxes affect our operations. Many of these laws, such as ERISA, were enacted before the development of the co-employment relationship that we use and other non-traditional employment relationships, such as temporary employment and other employment-related outsourcing arrangements. Therefore, many of these laws do not specifically address the obligations and responsibilities of our industry, the participants in which are referred to as professional employer organizations. Other federal and state laws and regulations, such as the Patient Protection and Affordable Care Act, are relatively new, and administrative agencies and federal and state courts have only begun to interpret and apply these regulations to our industry. The development of additional regulations and interpretation of those regulations can be expected to evolve over time.

While we believe that our operations are currently in compliance in all material respects with applicable federal and state statutes and regulations, the topics discussed below summarize what we believe are the most important regulatory aspects of our business.

Employer Status

In order for WSEs to receive the full benefit of our benefits offerings, it is important that we constitute the "employer" of the WSEs under the Code and ERISA. The definitions of "employer" under both the Code and ERISA are not clear and are defined in part by complex multi-factor tests under common law. We believe that we qualify as an "employer" of our WSEs in the United States under both the Code and ERISA, and we implement processes to protect and preserve this status.

Tax Qualified Plans. In order to qualify for favorable tax treatment under the Code, certain employee benefit plans such as 401(k) retirement plans and cafeteria plans must be established and maintained by an employer for the exclusive benefit of its employees. Generally, an entity is an "employer" of certain workers for federal employment tax purposes if an employment relationship exists between the entity and the workers under the common law test of employment. The common law test of employment, as applied by the Internal Revenue Service, involves an examination of many factors to ascertain whether an employment relationship exists between a worker and a purported employer. Our 401(k) retirement plans are operated pursuant to guidance provided by the IRS for the operation of defined contribution plans maintained by co-employers that benefit WSEs. This guidance provides qualification standards for such plans. All of our 401(k) retirement plans have received determination letters from the IRS confirming the qualified status of the plans. The IRS 401(k) guidance and qualification requirement are not applicable to the operation of our cafeteria plans.

ERISA Regulations. Employee pension and welfare benefit plans are also governed by ERISA. ERISA defines an "employer" as "any person acting directly as an employer, or indirectly in the interest of an employer, in relation to an employee benefit plan." ERISA defines the term "employee" as "any individual employed by an employer." The courts have held that the common law test of employment must be applied to determine whether an individual is an employee or an independent contractor under ERISA. However, in applying that test, control and supervision are less important for ERISA purposes when determining whether an employer has assumed responsibility for an individual's benefits status. A definitive judicial interpretation of "employer" in the context of a

professional employer organization has not been established, and the U.S. Department of Labor has issued guidance that certain entities in the HR outsourcing industry do not qualify as common law employers of WSEs for ERISA purposes. If we were found not to be an employer for ERISA purposes, our plans would not comply with ERISA, and fines and penalties could be imposed. In addition, our ERISA plans would not enjoy, with respect to WSEs, the full preemption of state laws provided by ERISA and could be subject to various state laws and regulation.

Patient Protection and Affordable Care Act

The Act implements sweeping health care reforms with staggered effective dates from 2010 through 2018, and many provisions in the Act require the issuance of additional guidance from the U.S. Department of Labor, the Internal Revenue Service, the U.S. Department of Health and Human Services and the states. The Act imposes a number of new mandates on the coverage required to be provided under health insurance plans beginning in 2011, with additional requirements staged in subsequent years. We believe that our group health plans comply with existing mandates. However, the guidance issued to date by the Internal Revenue Service and the U.S. Department of Health and Human Services have not addressed, or in some instances are unclear, as to their application in the co-employer context or whether such provisions should be applied at the client level. As a result, we are not yet able to predict all of the impacts to our business, and to our clients, resulting from the Act.

State Unemployment Taxes

State unemployment taxes are based on taxable wages and tax rates assigned by each state. The tax rates vary by state and are determined, in part, based on our prior years' compensation experience in each state. Certain rates are also determined, in part, by each client's own compensation experience. In addition, states have the ability under law to increase unemployment tax rates, including retroactively, to cover deficiencies in the unemployment tax funds. Due to the adverse U.S. economic conditions during recent years and the associated reductions in employment levels, the state unemployment funds have experienced a significant increase in the number of unemployment claims. Accordingly, state unemployment tax rates increased substantially over the past few years. Employers in certain states are also experiencing higher federal unemployment tax rates as a result of certain states not repaying their unemployment loans from the federal government in a timely manner. We have taken steps to mitigate the risk of fluctuations in state and federal unemployment tax rates, including reporting and remitting unemployment insurance taxes or contributions at the customer level and/or under the customer's own account number in approximately 30 states, and we will continue to seek such reporting relationships in the future.

State Regulation of Co-Employers

Forty-two states have adopted provisions for licensing, registration, certification or recognition of co-employers, and others are considering such regulation. Such laws vary from state to state but generally provide for monitoring or ensuring the fiscal responsibility of professional employer organizations, and in some cases codify and clarify the co-employment relationship for unemployment, workers compensation and other purposes under state law. We believe we are in compliance in all material respects with the requirements in all 42 states. Regardless of whether a state has licensing, registration or certification requirements for co-employers, we must comply with a number of other state and local regulations that could impact our operations, such as state and local taxes, licensing, zoning and business regulations.

Competition

We face significant competition on a national and regional level from a number of companies purporting to deliver a range of bundled services that are generally similar to the services we provide, including large professional employer organizations such as the TotalSource unit of Automatic Data Processing, Inc. and Insperity, Inc., as well as specialized and small professional employer organization service providers. If and to the extent that we and other companies providing these services are successful in growing our businesses, we anticipate that future competitors will enter this industry. Some of our current, and any future, competitors have

or may have greater marketing and financial resources than we do, and may be better positioned than we are in certain markets. Increased competition in our industry could result in price reductions or loss of market share, any of which could harm our business. We expect that we will continue to experience competitive pricing pressure. If we cannot compete effectively, our market share, business, results of operations and financial condition may suffer.

In addition to competition from other professional employer organizations, we also face competition in the form of companies serving their HR needs in traditional manners. These forms of competition include:

- HR and information systems departments and personnel of companies that perform their own administration of benefits, payroll and HR;
- providers of certain endpoint HR services, including payroll, benefits and business process outsourcers with high-volume transaction and administrative capabilities, such as Automatic Data Processing, Inc., Paychex, Inc. and other third-party administrators; and
- benefits exchanges that provide benefits administration services over the Internet to companies that otherwise maintain their own benefit plans.

We believe that our services are attractive to many SMBs in part because of our ability to provide workers compensation, health care and other benefits programs to them on a cost-effective basis. We compete with insurance brokers and other providers of this coverage in this regard, and our offerings must be priced competitively with those provided by these competitors in order for us to attract and retain our clients.

We may not be successful in convincing potential clients that the use of our services is a superior, cost-effective means of satisfying their HR obligations relative to the way in which they currently satisfy these obligations.

If we cannot compete effectively against other professional employer organizations or against the alternative means by which companies meet their HR obligations, our market share, business, results of operations and financial condition may suffer.

Intellectual Property

Our success depends in part on intellectual property rights to the services that we develop. We rely on a combination of contractual rights, including non-disclosure agreements, trade secrets, copyrights and trademarks, to establish and protect our intellectual property rights in our names, services, methodologies and related technologies. If we lose intellectual property protection or the ability to secure intellectual property protection on any of our names, confidential information or technology, this could harm our business. Our intellectual property rights may not prevent competitors from independently developing services and methodologies similar to ours, and the steps we take might be inadequate to deter infringement or misappropriation of our intellectual property by competitors, former employees or other third parties, any of which could harm our business. We do not currently have any registered patents or pending patent applications covering any of our technology. We own registered trademarks in the United States and Canada that have various expiration dates unless renewed through customary processes. Our trademark registrations may be unenforceable or ineffective in protecting our trademarks. Our trademarks may be unenforceable in countries outside of the United States, which may adversely affect our ability to build our brand outside of the United States.

Although we believe that our conduct of our business does not infringe on the intellectual property rights of others, third parties may nevertheless assert infringement claims against us in the future. We may be required to modify our products, services, internal systems or technologies, or obtain a license to permit our continued use of those rights. We may be unable to do so in a timely manner, or upon reasonable terms and conditions, which could harm our business. In addition, future litigation over these matters could result in substantial costs and resource diversion. Adverse determinations in any litigation or proceedings of this type could subject us to significant liabilities to third parties and could prevent us from using some of our services, internal systems or technologies.

Corporate Employees

We refer to our employees, excluding employees that we co-employ on behalf of our clients, as our corporate employees. We had 1,713 corporate employees as of September 30, 2013. We believe our relations with our corporate employees are good. None of our corporate employees is covered by a collective bargaining agreement.

Properties

We lease space for our client service centers in Bradenton, Florida, Reno, Nevada, Fort Mill, South Carolina, Oklahoma City, Oklahoma and New York, New York, approximately 60 regional sales offices in various states in the United States and our corporate headquarters in San Leandro, California. All of these leases expire at various times through 2023.

We believe our current facilities are adequate for the purposes for which they are intended and provide for further expansion to accommodate our long-term growth and expansion goals. We believe that short-term leased facilities are readily available if needed to accommodate near-term needs if they arise. We will continue to evaluate the need for additional facilities based on the extent of our product and service offerings, the rate of client growth, the geographic distribution of our client base and our long-term service delivery requirements.

Legal Proceedings

As a co-employer, we are regularly involved in legal proceedings and are subject to WSE claims arising in the ordinary course of our business. Some of these claims and legal proceedings arise out of our clients' conduct by virtue of our co-employer relationship, over which we have no control.

We are not presently a party to any legal proceedings that in the opinion of our management, if determined adversely to us, would have a material adverse effect on our business, financial condition, operating results or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

MANAGEMENT

Executive Officers, Other Key Employees and Directors

Our executive officers, other key employees and directors, their respective positions and their respective ages as of September 30, 2013 are as follows:

Name	Age	Position(s)
Executive Officers		
Burton M. Goldfield	57	President, Chief Executive Officer and Director
William Porter	59	Vice President and Chief Financial Officer
Gregory L. Hammond	58	Executive Vice President and Chief Legal Officer
John Turner	48	Senior Vice President of Sales
Other Key Employees		
Steven Apfelberg	43	Vice President of Marketing
James Franzone	38	Vice President of Corporate Development
Madhukar Govindaraju	47	Vice President of Products and Software Development
Jonathan Hubley	45	Vice President of Operations
Meredith Johnson	51	Vice President of Human Resources
Gary VanderPloeg	47	Vice President of Information Technology
Pasquale (“Pat”) Villella	52	Vice President of Client Services
Non-Employee Directors		
H. Raymond Bingham (1)	68	Chairman
Katherine August-deWilde (2)	65	Director
Martin Babinec	58	Director
Kenneth Goldman (2)	64	Director
David C. Hodgson (2)	56	Director
Wayne B. Lowell (1)(2)	58	Director

(1) Member of the compensation committee.

(2) Member of the audit committee.

(3) Member of the nominating and corporate governance committee.

Executive Officers

Burton M. Goldfield joined TriNet in May 2008 succeeding Martin Babinec, TriNet’s founder, as Chief Executive Officer. From 2006 to 2008, Mr. Goldfield was Chief Executive Officer of Ketera Technologies, Inc., a provider of on-demand Software-as-a-Service management solutions. From 2004 to 2006, he was the Senior Vice President of Worldwide Field Operations at Hyperion Solutions Corporation, a business performance management software company, which was ultimately acquired by Oracle Corporation. Earlier, he was with Rational Software Corporation for 13 years in a variety of management capacities, and subsequently Vice President of Worldwide Sales for IBM Corporation, Rational Software division upon the acquisition of Rational by IBM. Mr. Goldfield holds a B.S. in biomedical engineering from Syracuse University and an M.B.A. from Villanova University. Mr. Goldfield’s significant business experience both inside and outside our industry and role as our Chief Executive Officer brings unique insight to our board of directors.

William Porter joined TriNet in August 2010 as Chief Financial Officer. Prior to joining TriNet, Mr. Porter was most recently at Cadence Design Systems, Inc., a computer-aided design company, where he served in a series of executive roles over a 15-year period, including Chief Financial Officer from May 1999 to April 2008

and Executive Vice President and Chief Administrative Officer from April 2008 to October 2008. Prior to Cadence, Mr. Porter spent six years at Apple Inc., where he held various accounting, reporting and operational roles. He began his career at Arthur Andersen, where he served small and medium-sized businesses and high-tech clients and gained 12 years' experience in accounting, audits, business consulting and mergers and acquisitions. Mr. Porter holds a B.A. in accounting and an M.B.A. in finance, both from the University of California at Berkeley.

Gregory Hammond has served as our Chief Legal Officer since joining TriNet in 1997. For 20 years prior to joining TriNet, Mr. Hammond practiced outsourced human resources law at various private law firms. From 1987 to 1991, Mr. Hammond served as general counsel to the National Association of Professional Employer Organizations, or NAPEO. Mr. Hammond holds a B.A. from Mercer University and a J.D. from the University of Chicago.

John Turner joined TriNet in April 2012 as the Senior Vice President of Sales. From January 2011 to March 2012, Mr. Turner was the Vice President of American Sales at FalconStor Software, Inc., a provider of data protection and storage virtualization solutions. From 2004 to January 2011, Mr. Turner also served as the Vice President of Sales for Symantec Corporation, a security software company. Mr. Turner joined Symantec in connection with its acquisition of VERITAS, where he served as the Senior Director for Western U.S., Emerging Solutions. Prior to joining VERITAS, he was Vice President of Sales for Gartner CIO Programs. Mr. Turner holds a B.A. in Marketing from Santa Clara University and an M.B.A. from San Jose State University.

Other Key Employees

Steven Apfelberg joined TriNet in November 2012 as our Vice President of Marketing. From May 2011 to June 2012, he was the Chief Marketing Officer at Skire Solutions Inc., a provider of project management software for capital construction, real estate and facilities that was acquired by Oracle Corporation in 2012. From October 2009 to January 2011, he was the Vice President of Marketing at Yammer Inc., an enterprise social networking solutions company. From October 2004 to September 2009, Mr. Apfelberg held various positions at Callidus Software Inc., a provider of cloud-based sales, marketing, learning and hiring solutions, including serving as the Senior Vice President of Marketing and Business Development from April 2008 to September 2009. He also held senior roles in marketing and finance at Siebel Systems, Remedy and Oracle Corporation. Mr. Apfelberg holds a B.A. in Economics from Stanford University.

James Franzone joined TriNet in July 2010 as our Vice President of Corporate Development. From July 2005 to July 2010, Mr. Franzone was Vice President at General Atlantic LLC, a leading global growth equity firm. Mr. Franzone also previously served as senior associate for Technology Crossover Ventures, a venture capital firm. He began his career as a business analyst at McKinsey & Company, a management consulting firm, where he drove growth initiatives through organic and acquisitive means in partnership with senior management teams. Mr. Franzone holds an A.B. in economics from Dartmouth College and an M.B.A. from Stanford University.

Madhukar Govindaraju joined TriNet in 2013 as the Vice President of Products and currently serves as the Vice President of Products and Software Development. From 2012 to 2013, Mr. Govindaraju served as the Senior Vice President of Engineering and Technology at Spigit, Inc. From 2010 to 2012, Mr. Govindaraju served as the Senior Vice President of Engineering at Saba Software, Inc. From 2009 to 2010, Mr. Govindaraju was the Chief Development Architect within the Technology and Innovation Platform Group at SAP, where he was responsible for the SAP Business Objects Suite of On-Premise and On-Demand / SaaS BI products. From 2007 to 2009, Mr. Govindaraju served in multiple roles at SAP Labs, LLC and Business Objects, S.A., and from March 2006 to April 2007 he served as Vice President, Engineering at Cloud9 Analytics. Prior to March 2006, Mr. Govindaraju served as Vice President of Engineering at Hyperion Solutions Corporation, CTO and Vice President of Engineering at Promptu Corporation and CTO and Senior Vice President, Engineering at ChipCenter, LLC. Mr. Govindaraju holds a M.S. in Computer Science from the Indian Institute of Science, Bangalore, India. Mr. Govindaraju has also been a Visiting Fellow at the Tsinghua (Peking) University's Business Performance Management Research Institute.

Jonathan Hubley joined TriNet in 2009 as Vice President of Service Operations and currently serves as our Vice President of Operations. In 2006, Mr. Hubley began his tenure with Gevity as Director in Service Delivery, and was subsequently promoted to Vice President of Service Delivery, Operations at Gevity, a title he held until 2009. From 2002 to 2006, Mr. Hubley also worked at Ceridian Corporation, a human resources services company, as its Director of Operations. Prior to 2002, Mr. Hubley held management positions at Scholastic Inc., J. Crew and IBM. Mr. Hubley holds a B.B.A. from the University of Notre Dame.

Meredith Johnson joined TriNet in 2009 as Vice President of Human Resources and currently serves as our Vice President of Human Resources. From 1996 to 2009, Ms. Johnson served for over 12 years at Gevity in roles including corporate HR, service, sales, and operations, most recently as Chief People Officer. Ms. Johnson holds a B.S. in Journalism from the University of Florida.

Gary VanderPloeg joined TriNet in 2010 as the Vice President of Information Technology. From 1997 to 2010, Mr. VanderPloeg served as the Senior Director, Global Information Technology at Infor Global Solutions. From 1993 to 1997, Mr. VanderPloeg worked at Meijer Corporate, a retail supercenter, as its Manager of Technical Services, and from 1988 to 1993 he worked at Information Decisions, Inc., an information technology consulting firm. Mr. VanderPloeg holds an Electrical Engineering Technology degree from Everest College and an M.B.A. from the University of Michigan.

Pasquale ("Pat") Villella joined TriNet in January 2007 as our Director of Sales for the Northeast, Midwest and Mid-Atlantic regions. In January 2011, he was promoted to Vice President, Human Capital Services and in July 2012, he was promoted to the newly-created position of Vice President of Client Services. Prior to joining TriNet, Mr. Villella served in a variety of individual contributor and management roles at Insperity, a human resources services company, from April 2002 through January 2007. Mr. Villella holds a B.A. from Providence College, a J.D. from the New England School of Law and a Masters of Law and Letters from Boston University School of Law.

Board of Directors

H. Raymond Bingham has been a director since July 2008 and has served as our Chairman since January 2010. He is an Advisory Director of General Atlantic and served as a Managing Director from September 2006 to December 2009. He was Executive Chairman of the Board of Directors of Cadence Design Systems, Inc., a supplier of electronic design automation software and services, from May 2004 to July 2005, and served as a director of Cadence from November 1997 to July 2005. Prior to his role as Executive Chairman, he served as President and Chief Executive Officer of Cadence from April 1999 to May 2004 and as Executive Vice President and Chief Financial Officer from April 1993 to April 1999. Mr. Bingham also serves as a director of Spansion, Inc., Flextronics International Ltd., Oracle Corporation and Fusion-io, Inc. Mr. Bingham holds a B.S. in Economics from Weber State University and an M.B.A. from Harvard Business School. Additionally, he was awarded an Honorary Doctorate of Humanities from Weber State University. Mr. Bingham was appointed to serve on our board of directors based on his broad and extensive experience serving in management roles at technology companies, including as chief executive officer and chief financial officer, as well as his experience as an Advisory Director of General Atlantic. Mr. Bingham's significant service on the board of directors of other publicly traded technology companies and his extensive knowledge and experience managing portfolio companies both within and outside our industry brings unique insight to our board of directors.

Katherine August-deWilde has been a director since October 2013. Since September 2007, Ms. August-deWilde has served as the President and Chief Operating Officer of First Republic Bank, a commercial bank specializing in private banking, business banking and wealth management. Ms. August-deWilde has served in various roles at First Republic Bank since 1985, including as Chief Financial Officer and Executive Vice President and Chief Operating Officer. Prior to joining First Republic Bank, Ms. August-deWilde served as Vice President and Treasurer, and later as Senior Vice President and Chief Financial Officer, at PMI Mortgage Insurance Co. from 1979 to 1985. From 1975 to 1979, she was an associate at McKinsey & Company. Ms. August-deWilde has also served on the board of directors of First Republic Bank since 1988. She is a Trustee of the Boys & Girls Clubs of San Francisco, a member of the Advisory Council of

the Stanford Center on Longevity, and a member of the Stanford Graduate School of Business Advisory Council. Ms. August-deWilde holds a B.A. from Goucher College and an M.B.A. from Stanford University. Ms. August-deWilde was appointed to serve on our board of directors based on her business acumen and financial expertise and her experience as a chief financial officer.

Martin Babinec founded TriNet in 1988 and has served on our board of directors since that time, acting as Chairman until December 2009. From 1988 until May 2008, he also served as our Chief Executive Officer. Mr. Babinec also founded and serves as Chairman of Upstate Venture Connect and co-founded and serves as Chairman of the StartFast Venture Accelerator. Prior to founding TriNet, Mr. Babinec served in senior human resources management positions at the Navy Exchange, an international retailer. Mr. Babinec holds a B.S. in Business Administration from Shippensburg University. Mr. Babinec's significant business experience both inside and outside our industry and role as our founder and former Chief Executive Officer brings unique insight to our board of directors.

Kenneth Goldman has been a director since August 2009. Since October 2012, Mr. Goldman has served as the Chief Financial Officer of Yahoo! Inc., an internet services company. Prior to joining Yahoo!, Mr. Goldman served as Chief Financial Officer of Fortinet Inc., a provider of unified threat management solutions, from September 2007 to October 2012. From November 2006 to August 2007, Mr. Goldman served as Executive Vice President and Chief Financial Officer of Dexterra, Inc., a provider of mobile enterprise software. From August 2000 until March 2006, Mr. Goldman served as Senior Vice President, Finance and Administration, and Chief Financial Officer of Siebel Systems, Inc., a supplier of customer software solutions and services which was acquired by Oracle Corporation in January 2006. Mr. Goldman serves on the board of directors of Infinera Corporation, NXP Semiconductors N.V., Gigamon Inc. and Yahoo! Japan. Mr. Goldman is also a Trustee Emeritus on the board of trustees of Cornell University. Mr. Goldman holds a B.S. in Electrical Engineering from Cornell University and an M.B.A. from Harvard Business School. Mr. Goldman was appointed to serve on our board of directors based on his significant experience as a chief financial officer of public companies.

David C. Hodgson has been a director since 2005 and is a Managing Director of General Atlantic. He joined General Atlantic in 1982, helped found their partnership, and has over 30 years of experience identifying and assisting portfolio companies worldwide in all areas of their development. Mr. Hodgson serves on the boards of directors of a number of public and private companies including Pierpont Securities, Hyperion Insurance Group Limited, and Dice Holdings, Inc. Mr. Hodgson is chairman of the boards of trustees of Johns Hopkins Medicine, Johns Hopkins Health System, Manhattan Theatre Club and Echoing Green. He also serves as a trustee of Dartmouth College and Johns Hopkins University. Mr. Hodgson holds an A.B. in Mathematics and Social Sciences from Dartmouth College and a M.B.A. from the Stanford University Graduate School of Business. Mr. Hodgson was appointed to serve on our board of directors based on his experience as a Managing Director of General Atlantic.

Wayne B. Lowell has been a director since 2009. Since early 2012, Mr. Lowell has been serving as Chairman and Chief Executive Officer of Senior Whole Health Holdings, Inc., a health insurance company focused on providing health insurance coverage to senior citizens. From October 2007 to July 2008, Mr. Lowell served as Chief Executive Officer of Wellmed Medical Management, Inc., a physician healthcare services company. From 1998 to September 2007 and July 2008 to June 2012, he served as President of Jonchra Associates, LLC, which provides strategic, operating and financial advice to senior management of private-equity funded and publicly held entities. From 1986 to 1998, he worked for PacifiCare Health Systems (now part of United Healthcare). At PacifiCare, he held various positions of increasing authority, ultimately serving as Executive Vice President, Chief Financial Officer and Chief Administrative Officer. Mr. Lowell holds a B.S. in accounting from the University of Maryland and an M.B.A. from the University of California at Irvine. Mr. Lowell is a Certified Public Accountant. Mr. Lowell was appointed to serve on our board of directors based on his years of experience in the health care industry and his experience as a chief financial officer.

Each of our officers serves at the discretion of our board of directors. Each of our directors holds office until his or her successor is duly elected and qualified or until his or her earlier resignation or removal. There are no family relationships among any of our directors or executive officers.

Board Composition

Certain members of our board of directors were elected pursuant to the provisions of our amended and restated stockholders agreement entered into in June 2009. Under this agreement, our stockholders that are party to the agreement have agreed to vote their shares to elect to our board of directors as follows: (i) four directors designated by GA TriNet LLC; (ii) the person serving as Chief Executive Officer; and (iii) two independent directors. This agreement will terminate effective upon the completion of this offering.

Our board of directors may establish the authorized number of directors from time to time by resolution and currently consists of six members. In accordance with our amended and restated certificate of incorporation that will be effective upon the completion of this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- the Class I directors will be and , and their terms will expire at the annual general meeting of stockholders to be held in 2014;
- the Class II directors will be and , and their terms will expire at the annual general meeting of stockholders to be held in 2015; and
- the Class III directors will be and , and their terms will expire at the annual general meeting of stockholders to be held in 2016.

We expect that 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. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control. See “Description of Capital Stock—Anti-takeover Provisions—Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws.”

Board of Director Independence

Generally, under the listing requirements and rules of , independent directors must comprise a majority of a listed company’s board of directors within one year of the completion of this offering. Our board of directors has undertaken a review of its composition, the composition of its committees and the independence of each director. Our board of directors has determined that, other than Burton S. Goldfield, by virtue of his position as Chief Executive Officer, none of our directors has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each is “independent” as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and rules of . Accordingly, a majority of our directors is independent, as required under applicable rules. In making this determination, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Lead Independent Director

Our board of directors has appointed Mr. Bingham, our Chairman, to serve as our lead independent director. As lead independent director, Mr. Bingham presides over periodic meetings of our independent directors, serves as a liaison between our Chief Executive Officer and the independent directors and performs such additional duties as our board of directors may otherwise determine and delegate.

Board Committees

Our board of directors has established an audit committee and a compensation committee and will, prior to the completion of this offering, establish a nominating and corporate governance committee. Our board of directors may establish other committees to facilitate the management of our business. The expected composition

and functions of each committee upon completion of this offering are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

Audit Committee

Our audit committee consists of Ms. August-deWilde and Messrs. Hodgson, Goldman and Lowell. Upon the completion of this offering, our audit committee will be composed solely of independent directors under the listing standards and Rule 10A-3(b)(1) promulgated under the Exchange Act. Mr. Hodgson intends to resign from the audit committee upon the completion of this offering.

The chair of our audit committee is Mr. Goldman, who our board of directors has determined is an "audit committee financial expert" within the meaning of SEC regulations. Our board of directors has also determined that each member of our audit committee has the requisite financial expertise required under the applicable requirements of . In arriving at this determination, our board of directors has examined each audit committee member's scope of experience and the nature of their employment in the corporate finance sector. The primary functions of this committee include:

- reviewing and pre-approving the engagement of our independent registered public accounting firm to perform audit services and any permissible non-audit services;
- evaluating the performance of our independent registered public accounting firm and deciding whether to retain their services;
- monitoring the rotation of partners on our engagement team of our independent registered public accounting firm;
- reviewing our annual and quarterly financial statements and reports and discussing the statements and reports with our independent registered public accounting firm and management, including a review of disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations";
- considering and approving or disapproving of all related party transactions;
- reviewing, with our independent registered public accounting firm and management, significant issues that may arise regarding accounting principles and financial statement presentation, as well as matters concerning the scope, adequacy and effectiveness of our financial controls;
- conducting an annual assessment of the performance of the audit committee and its members, and the adequacy of its charter; and
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding financial controls, accounting or auditing matters.

Compensation Committee

Our compensation committee consists of Messrs. Bingham and Lowell, each of whom our board of directors has determined to be independent under the listing standards and Rule 10C-1 promulgated under the Exchange Act, a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act and an "outside director" as that term is defined in Section 162(m) of the Code. The chair of our compensation committee is Mr. Bingham. The functions of this committee include:

- determining the compensation and other terms of employment of our chief executive officer and our other executive officers and reviewing and approving corporate performance goals and objectives relevant to such compensation;
- reviewing and recommending to the full board of directors the compensation of our directors;

- evaluating, adopting and administering the equity incentive plans, compensation plans and similar programs advisable for us, as well as modification or termination of existing plans and programs;
- establishing policies with respect to equity compensation arrangements;
- reviewing with management our disclosures under the caption "Compensation Discussion and Analysis" and recommending to the full board of directors its inclusion in our periodic reports to be filed with the SEC; and
- reviewing and evaluating, at least annually, the performance of the compensation committee and the adequacy of its charter.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of and , each of whom our board of directors has determined to be independent under the listing standards. The chair of our nominating and corporate governance committee is . The functions of this committee include:

- reviewing periodically and evaluating director performance on our board of directors and its applicable committees, and recommending to our board of directors and management areas for improvement;
- interviewing, evaluating, nominating and recommending individuals for membership on our board of directors;
- reviewing and recommending to our board of directors any amendments to our corporate governance policies; and
- reviewing and assessing, at least annually, the performance of the nominating and corporate governance committee and the adequacy of its charter.

Code of Business Conduct and Ethics

In connection with this offering, our board of directors will adopt a code of business conduct and ethics that applies to all of our corporate employees, officers and directors, including those officers responsible for financial reporting. Upon completion of this offering, our code of business conduct and ethics will be available on our website at www.trinet.com. We intend to disclose any amendments to the code, or any waivers of its requirements, on our website or in public filings to the extent required by applicable SEC rules or exchange requirements. The inclusion of our website address in this prospectus does not include or incorporate by reference into this prospectus the information on or accessible through our website.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently or has been at any time one of our officers or employees. None of our executive officers currently serves, or has served during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Non-Employee Director Compensation

Our compensation committee has approved an outside director compensation policy that provides that each non-employee director, other than Mr. Hodgson, receives the following cash compensation for board services:

- $35,000 per year for service as a board member, or $50,000 per year for service as the Chairman of the Board;
- $10,000 per year for service as the chair of the audit committee or compensation committee;
- $1,000 for attendance at each board meeting (whether in person or by telephone); and
- $500 to non-chair committee members for attendance at each committee meeting (whether in person or by telephone).

In addition, pursuant to the policy, each non-employee director is granted an option to purchase 20,000 shares of our common stock (30,000, in the case of the Chairman of the Board) at the time of the first board of directors meeting of each calendar year, and each new non-employee director is granted an option to purchase 60,000 shares of our common stock upon election to the board of directors. We also have a policy of reimbursing our directors for their reasonable out-of-pocket expenses incurred in attending board and committee meetings.

The following table sets forth information regarding compensation earned by or paid to our non-employee directors during 2012:

Name	Fees Earned or Paid in Cash ($)	Option Awards ($) [1]	Total ($)
H. Raymond Bingham	64,000	217,350	281,350
Martin Babinec	39,000	144,900	183,900
Kenneth Goldman	49,000	144,900	193,900
David C. Hodgson	—	144,900	144,900
Wayne B. Lowell	42,000	144,900	186,900

(1) The amounts reported do not reflect the amounts actually received by our non-employee directors. Instead, these amounts reflect the aggregate grant date fair value of each stock option granted to our non-employee directors during 2012, as computed in accordance with FASB ASC 718. Assumptions used in the calculation of these amounts are included in Note 7 to our consolidated financial statements included in this prospectus. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. Our non-employee directors who have received options will only realize compensation with regard to these options to the extent the trading price of our common stock is greater than the exercise price of such options.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis explains our executive compensation philosophy, objectives and design, our compensation-setting process, our executive compensation program components, as well as the specific decisions made for 2012 compensation for each of our named executive officers, or NEOs. Our named executive officers for 2012 were:

Burton M. Goldfield	President and Chief Executive Officer
William Porter	Vice President and Chief Financial Officer
Gregory L. Hammond	Executive Vice President and Chief Legal Officer
John Turner	Senior Vice President, Sales

All references to employees in this Executive Compensation section are to our corporate employees.

Compensation Philosophy, Objectives and Design

Philosophy . As a professional employer organization, we operate in a new and rapidly evolving industry sector. To succeed in this environment, we must attract and retain a highly talented executive team, including executives with strong leadership skills who can run our business functions, achieve results that meet our clients' objectives, and sell our services. We have designed our compensation programs to accomplish these goals, while at the same time creating a "pay for performance" environment that aligns the long-term interests of our executive team with those of our stockholders.

Objectives . To be successful in our industry requires that we continually build on our deep knowledge of specific vertical markets, expand the breadth and quality of our HR solution, enhance our technology platform, and manage our expanding operations efficiently and effectively, while maintaining our reputation and building trust with both current and prospective clients. Our executive compensation programs are designed to achieve these objectives, so that we are able to:

- attract and retain talented and experienced executives, who possess the knowledge, skills and leadership criteria critical to our success;
- motivate these executives to achieve our business objectives and uphold our core values;
- promote teamwork within the executive team, while also recognizing the unique role each executive plays in our success; and
- ensure the alignment of the long-term interests of our executives with those of our stockholders.

Design . Our NEOs receive total compensation consisting of a combination of base salary, annual variable cash compensation, and long-term equity incentive awards. They also participate in the standard employee benefit plans available to most of our U.S. employees, and receive a small amount of additional benefits and perquisite reimbursements. In addition, our executive officers are eligible for modest severance and change in control benefits under certain circumstances.

Having been a privately-held company, our compensation structure has taken into account the fact that our executives are taking a significant financial risk in their employment, and so we have sought to provide sufficient annual cash compensation (in the form of both salary and annual bonus) in order to maintain a stable executive team, while at the same time providing meaningful equity compensation opportunities. We believe this balance of cash and equity compensation has served us well, by allowing us to conserve cash during our early years, while also aligning the long-term interests of our executive team with those of our stockholders. The limited severance and change in control benefits we provide allow our executives to focus on pursuing business strategies that, while in the best interest of our stockholders, may result in a disruption in their normal employment.

Compensation Setting Process

Role of Our Compensation Committee . Our compensation committee oversees our executive compensation and benefit plans and policies, administers our equity incentive plans, and reviews and approves annually the

compensation decisions relating to our executive officers, with the exception of our chief executive officer. Compensation decisions for our Chief Executive Officer are made by the independent members of the board of directors, as informed by the analysis and recommendations made by the compensation committee. During 2012, our compensation committee members were Raymond Bingham and Wayne Lowell.

The factors considered by our compensation committee in determining executive compensation for 2012 included:

- the recommendations of our Chief Executive Officer;
- corporate growth and other elements of financial performance;
- individual achievement by each executive against his or her management objectives;
- the executive's existing equity awards and stock holdings; and
- the potential dilutive effect of new equity awards on our stockholders.

For Mr. Turner, who was first hired in 2012, the factors considered also included market competitiveness for his role and compensation level relative to the rest of the executive team.

Role of Management . Our Chief Executive Officer works closely with members of our compensation committee in determining compensation for our named executive officers. Our Chief Executive Officer reviews the performance of the other executive officers, and then shares those evaluations and makes recommendations to our compensation committee for each element of compensation. Our Chief Executive Officer also works with our Chief Financial Officer and Chief Legal Officer to recommend the structure of the annual Executive Bonus Plan, and individual and corporate performance objectives, and to evaluate actual performance against the selected metrics. Our Chief Executive Officer also makes recommendations on new hire compensation packages. In all cases, however, final decision making is done by the committee. Moreover, no executive officer participates in the determination of the amounts or components of his or her compensation.

Use of Compensation Survey and Peer Group Data . As a private company, the members of our compensation committee relied heavily upon their own substantial knowledge and experience gained in overseeing and managing this and similar business ventures in making compensation-related decisions. That knowledge included oversight and approval of executive-level hiring at our company, as well as familiarity with the market forces for talent in the region and in other markets in which we compete for talent. In this context, our compensation committee was able to benchmark both elements of executive compensation and amounts awarded on an informal basis.

In anticipation of this offering, our compensation committee has undertaken a more formalized analysis of executive compensation survey data, including review of both the Towers Watson Data Services' Compensation Data Bank General Industry Executive Compensation Survey (for base salary and annual variable compensation) and the Advanced-HR's Option Impact survey (for equity awards) for comparison purposes. The Towers Watson survey data was current as of March 1, 2011, and covered more than 1,000 companies in a broad range of industries. Our management team worked with Towers Watson Data Services to normalize the data by applying an assumed 3% annual rate of increase since the report date, and we also used regression analysis to account for the fact that most of the participants in the survey had revenues and number of employees in excess of TriNet's. The Advanced-HR Option Impact survey data reviewed by our compensation committee was not aged or otherwise normalized, as the data comprised only privately-held and venture-backed companies, and the survey reporting date was more recent.

In addition to the survey data discussed above, our compensation committee reviewed the compensation of each of our executive officers against compensation levels at three public companies that may be included in any future peer group, namely, Automatic Data Processing, Inc., Insperity, Inc. and Paychex, using the information published in their most recent annual proxy statements. While this number of companies was not sufficient to produce statistically valid benchmark data, our compensation committee did find review of this information useful and informative in evaluating our own programs of executive compensation, and the amounts awarded under each program.

Following the closing of this offering, our compensation committee will continue to be responsible for developing and implementing our executive compensation policies, and for establishing and approving the compensation for all of our executive officers (other than the Chief Executive Officer, whose compensation, as discussed above, is set by the independent members of the board of directors). We also expect that our compensation committee will continue to review compensation survey data in connection with the establishment of cash and equity compensation and related policies, and individual award amounts, as our company and our industry further develop. We expect that this type of market data and reports from external consultants will provide useful context for the committee's compensation decisions, although we expect that the factors such as corporate and individual performance will continue to remain at the forefront when the committee arrives at final compensation decisions for our executive team.

Executive Compensation Program Components

The compensation of the named executive officers consists of the following principal components:

- Base salary;
- Annual variable cash compensation;
- Long-term equity incentive awards;
- Benefits consistent with those offered to other U.S. employees; and
- A modest level of additional benefits and perquisites.

In addition, our executives participate in the standard employee benefit plans generally available to our other U.S. employees, and they receive a very small amount of perquisites relative to overall compensation. We also provide severance to our named executive officers for certain involuntary terminations, as discussed below under the heading "—Potential Payments upon Termination or Change in Control."

Each of the elements of our executive compensation is discussed in detail below, including a description of the particular element and how it fits into our overall executive compensation and a discussion of the amounts of compensation paid to our named executive officers in 2012 under each of these elements.

Base Salary

We believe that a competitive base salary is a necessary element of our executive compensation program, so that we can attract and retain a stable management team. Base salaries for our named executive officers are also intended to be competitive with those received by other individuals in similar positions at the companies with which we compete for talent, as well as equitable across the executive team. The base salaries for our named executive officers for 2012 and 2013 were as follows:

Named Executive Officer	2012 Base Salary	% increase from 2011	2013 Base Salary	% increase from 2012
Burton M. Goldfield	$460,000	2.2%	$500,000	8.7%
William Porter	$340,000	4.6%	$340,000	0%
Gregory Hammond	$295,000	3.5%	$295,000	0%
John Turner	$250,000	n/a	$250,000	0%

The base salaries of our named executive officers are reviewed annually and adjusted to reflect individual contributions, company performance and market data. In connection with its review of the Towers Watson survey data discussed above, our compensation committee determined that the existing base salaries of each of the named executive officers (other than the Chief Executive Officer) were either at or slightly below the 50th percentile range for comparable positions. Based on this information, the committee determined not to provide any additional increase for 2013. In the case of our Chief Executive Officer, however, the Towers Watson survey data indicated that his base salary was below the 25th percentile of base salaries for that role, and therefore recommended an 8.7% increase in his base salary to $500,000, which the independent members of the board of

directors approved. In this regard, both the committee and the independent members of the board of directors took into account the Chief Executive Officer's desire that his base salary not be significantly increased in relation to the rest of the executive team, even though his salary would remain well below the median survey range applicable to other chief executive officers.

Variable Cash Compensation

A portion of our executive compensation is paid under our annual Executive Bonus Plan. Under this program, annual variable cash compensation is awarded based on performance metrics selected by the compensation committee. For the past several years, the financial metrics selected by the compensation committee have been Net Service Revenues and Adjusted EBITDA. We believe these two performance metrics are appropriate for our business because they provide a balance between growing revenue and managing our expenses, which we believe most directly influences long-term stockholder value. Both of these financial metrics are calculated after applying adjustments to the applicable GAAP financial measures. For an explanation of how we adjust these metrics, see "Selected Consolidated Financial and Other Data—Non-GAAP Financial Results."

In addition to financial metrics, annual variable compensation for our executives takes into account that executive's achievement against his or her management business objectives, or "MBOs." MBOs are determined in the first instance by our Chief Executive Officer for his direct reports, and then reviewed and approved by the compensation committee. In the case of the Chief Executive Officer, his MBOs are determined by the independent members of the board of directors, based on recommendations made both by the Chief Executive Officer and members of the compensation committee.

While financial performance and individual achievement are considered for all executive awards, in the case of our Chief Executive Officer and Chief Financial Officer, annual bonuses are determined 75% on financial metrics, and 25% on achievement against their MBOs. For the remainder of the executive team, annual bonuses are determined 50% on financial metrics, and 50% on achievement against MBOs. This difference in allocation has been determined to be appropriate by our compensation committee (and in the case of the Chief Executive Officer, by the board of directors) due to the greater responsibility of the Chief Executive Officer and Chief Financial Officer for the overall direction and success of our business.

Under the Executive Bonus Plan, each named executive officer is assigned a target award, expressed as a fixed dollar value. The Executive Bonus Plan operates by reference to a matrix that factors in actual achievement levels against the targets set by the compensation committee for revenue and Adjusted EBITDA goals. For 2012, no bonus was payable if we achieved less than 92.5% of our revenue goal. Further, no bonus amount was payable at a calculated matrix level of less than 50% (40% for our Senior Vice President of Sales). The maximum bonus amounts would be payable if we exceeded achievement of the revenue goal and the Adjusted EBITDA goal at a calculated matrix level of 200% (235% for our Senior Vice President of Sales). Performance on these financial measures determines 75% of the annual bonus for the Chief Executive Officer and Chief Financial Officer, and 50% for the remaining eligible executives.

The remainder of the target variable compensation for our named executive officers is determined based on each individual executive's achievement against his or her MBOs. The MBOs are generally objectively determinable and measurable, and focus on key operational objectives or functions. Overall MBOs are set by the Chief Executive Officer and approved by the compensation committee (for executive officers other than the Chief Executive Officer), and for the Chief Executive Officer, are submitted by him to the independent members of the Board for their final approval. In all cases, the 2012 MBOs are intended to be ambitious, but attainable, and designed to produce annual performance bonus payments to reflect meaningful performance requirements.

At the end of 2012, our compensation committee reviewed the financial performance of the company, and determined that performance had been achieved at 152% of the revenue target, and 168% of the Adjusted EBITDA target. Accordingly, bonuses under the Executive Bonus Plan were paid out at the maximum level of 200% of target. The compensation committee also reviewed performance of the named executive officers against their MBOs, and determined that each executive had achieved greater than 100% of each of his 2012 MBOs.

Based on these results, and in particular the achievement against our financial measures, our compensation committee determined total bonus amounts in respect of 2012 performance as follows:

Named Executive Officer	2012 Variable Compensation [1] Target Award	Actual	% of Target	2013 Target Variable Compensation [1]
Burton M. Goldfield	$270,000	$556,875	206%	$ 375,000
William Porter	$160,000	$330,000	206%	$ 188,000
Gregory Hammond	$130,000	$260,000	200%	$ 150,000
John Turner	$175,000	$301,030	172%	$ 195,000

(1) Amounts in this table include both the Executive Bonus Plan (capped at 200%) and MBO (no cap) components of our annual variable cash compensation.

For 2013, our executive bonus plan was structured in substantially the same manner as our 2012 executive bonus plan. Likewise, we believe the MBOs that have been approved by our compensation committee for 2013 are similarly ambitious, but attainable. Target awards for 2013 variable compensation are as indicated in the table above.

Long-Term Equity Incentive Awards

We believe that if our executive officers own shares of our common stock with values that are significant to them, they will have an incentive to act to maximize long-term stockholder value. We also believe that equity compensation is an integral component of our efforts to attract and retain exceptional executives, senior management and employees. In recent years, we have relied on stock options granted under our 2009 Equity Incentive Plan as the principal component of our equity compensation program. We believe this approach has allowed us to attract and retain key talent in our industry and aligns our executive team's interests with the long-term interests of our company and our stockholders.

Under our 2009 Equity Incentive Plan, we have not granted stock options to our executive officers with an exercise price less than the fair market value of our common stock on the date of grant. As a result, our stock options have value only if the fair market value of our common stock increases over time. Typically, the stock options granted to our employees, including our executive officers, vest over four years and generally expire ten years after the date of grant, allowing them to serve as an effective retention tool while also motivating these executive officers to work toward corporate objectives that provide a meaningful return to our stockholders. From time to time, our board of directors has also granted restricted stock awards and restricted stock unit awards to our Chief Executive Officer.

Historically, our grants of stock options have not been formula-based, but have been based on the recommendations of our Chief Executive Officer and the compensation committee's own judgment. These judgments have taken into account a broad range of factors, including the executive's level of responsibility, the competitive market for the executive's position, the executive's past contribution to results, and the executive's potential for contribution to future results. The compensation committee also considers dilution, and the overall impact that employee grants will have on stockholder value. For awards granted in 2013, our compensation committee also reviewed compensation survey data from the Advanced-HR Option Impact survey.

Other Benefits and Perquisites

Our named executive officers are eligible to participate in all of the employee benefit plans offered to our U.S. employees, such as medical, dental, vision, group life, short and long-term disability, and our 401(k) plan, in each case on the same basis as other employees. We provide a 401(k) plan matching contribution up to $2,500 annually to each employee, including our NEOs, which is fully vested. We also provide vacation and other paid holidays to all employees, including our named executive officers. We do not offer a non-qualified deferred compensation plan or pension plan.

Additionally, our named executive officers are each entitled to company-paid premiums of up to $15,000 for supplemental life insurance. We also reimburse such executives for financial planning and income tax services

up to a maximum of $10,000 per year. Periodically, when our executive officers attend Company-related functions, their spouses are also invited, in which case we may incur incremental travel and other event-related expenses for those spouses, the cost of which is taxable to the executive. In these cases, our compensation committee has approved a policy providing for a tax gross-up on the reimbursement of such expenses. Our compensation committee believes that these limited perquisites are important for attracting and retaining key talent, as well as fostering teamwork and cohesion among the executive team.

Post-Employment and Change in Control Compensation

The initial terms and conditions of employment for each of our named executive officers are set forth in their employment agreements. These employment agreements generally provide for severance benefits in the event of a qualifying termination, and provide for lump sum cash payment calculated based on the individual's base salary, payment of continued health insurance premiums and life or disability insurance premiums, and partial accelerated vesting of equity awards. A qualifying termination includes termination without cause or resignation for good reason, and in each case requires that the executive sign a release of claims in favor of the company. Mr. Goldfield, Mr. Porter and Mr. Hammond are also entitled to payment of their target variable compensation at certain specified levels upon a qualifying termination. In the case of a termination following a change of control, our named executive officers are also entitled to full acceleration of equity. We consider these severance and change in control benefits critical to attracting and retaining high caliber executives and the compensation committee members believe, based on their experiences, that these benefits are comparable to benefits provided to similarly situated executives at other private companies.

For a summary of the material terms and conditions of the key employee agreements with each of our executive officers, see "—Employment Arrangements" below. For a summary of the material terms and conditions of the severance and change in control arrangements, see "—Potential Payments upon Termination or Change in Control."

Equity Granting Policies

We encourage our named executive officers to hold an equity interest in our company, but have not set specific ownership guidelines. Prior to this offering, we did not have any program, plan or obligation that required us to grant equity compensation on specified dates and, because we have not been a public company, we have not made equity grants in connection with the release or withholding of material non-public information. Following this offering, we intend to adopt granting policies or practices which will ensure that we do not time the making of grants to coincide with the release of material non-public information.

In the absence of a public trading market for our common shares, our board of directors has historically determined the fair value of our common shares in good faith based upon consideration of a number of relevant factors including our financial condition, the likelihood of a liquidity event, the liquidation preference of our participating preferred stock, the price at which our preferred stock was sold, the enterprise values of comparable companies, our cash needs, operating losses, market conditions, material risks to our business and valuation reports obtained from independent valuation firms.

Tax and Accounting Considerations

Deductibility of Executive Compensation . Our board of directors and compensation committee is mindful of the benefit to TriNet of full deductibility of compensation, and intends to operate our executive compensation program to be most efficient and effective for our stockholders, which may include compliance with Section 162(m) of the Internal Revenue Code. However, we intend to reserve flexibility in compensating our executive officers in a manner that can best promote our corporate objectives, even if not all such compensation is deductible.

Taxation of "Parachute" Payments and Deferred Compensation . We did not provide any executive officer, including any named executive officer, with a "gross-up" or other reimbursement payment for any tax liability that he or she might owe as a result of the application of the golden parachute tax rules under Section 280G of the

Internal Revenue Code or as a result of the nonqualified deferred compensation tax rules under Section 409A of the Internal Revenue Code.

Accounting Treatment . The accounting impact of our compensation programs is one of many factors that are considered in determining the size and structure of our compensation programs, so that we can ensure that our compensation programs are reasonable and in the best interests of our stockholders. Authoritative accounting guidance on stock compensation requires companies to measure the compensation expense for all share-based payment awards made to employees and directors, including stock options, based on the grant date "fair value" of these awards. This calculation is reported in the compensation tables below, even though our executive officers may never realize any value from their awards. In making compensation decisions, we do not consider the accounting cost to be equal to the potential gain that an executive officer may recognize from the compensation.

Compensation Recovery Policies

As a private company, we have not adopted, nor felt the need to adopt, a formal clawback policy. Once we become a public company, and therefore become subject to Section 304 of the Sarbanes-Oxley Act of 2002, we will operate under the requirements of that Section, under which our board may seek reimbursement from our Chief Executive Officer and Chief Financial Officer if, as a result of their misconduct, we restate our financial results due to our material noncompliance with any financial reporting requirements under the federal securities laws. In addition, we will comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and will adopt a compensation recovery policy once final regulations on the subject have been adopted.

Compensation Risk Assessment

Following the completion of this offering, our compensation committee expects to review the potential risks associated with the structure and design of our various compensation plans, including a comprehensive review of the material compensation plans and programs for all employees. Our material plans and programs operate within our larger corporate governance and review structure that serves and supports risk mitigation.

2012 Summary Compensation Table

The following table sets forth information regarding the compensation awarded to or earned during 2012 by our named executive officers as of December 31, 2012.

Name and Principal Position	Year	Salary ($)	Bonus ($) [1]	Option Awards ($) [2]	Non-Equity Incentive Plan Compensation ($) [3]	All Other Compensation ($) [4]	Total ($)
Burton M. Goldfield President and Chief Executive Officer	2012	457,308	84,375	579,600	472,500	51,199[5]	1,644,982
William Porter Vice President and Chief Financial Officer	2012	335,961	50,000	362,250	280,000	9,507[6]	1,037,718
Gregory L. Hammond Chief Legal Officer and Executive Vice President	2012	292,308	65,000	289,800	195,000	19,968[7]	862,076
John Turner Senior Vice President, Sales [8]	2012	87,287	7,905	1,593,900[9]	293,125	3,565[10]	1,985,782

(1) Amounts in this column for our named executive officers represent discretionary bonuses awarded by our compensation committee during 2012.

(2) Amounts reported in this column do not reflect the amounts actually received by our named executive officers. Instead, these amounts reflect the aggregate grant date fair value of each stock option granted to the named executive officers during 2012, as computed in accordance with FASB ASC 718. Assumptions used in the calculation of these amounts are included in Note 7 to our consolidated

financial statements included in this prospectus. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. Our named executive officers will only realize compensation to the extent the trading price of our common stock is greater than the exercise price of such stock options.

(3) Amounts in this column represent bonuses paid under our 2012 Executive Bonus Plan in December 2012 and March 2013 upon achievement of Net Service Revenues and Adjusted EBITDA goals and MBOs for 2012.

(4) Amounts in this column include company 401(k) plan matching contributions for each executive of $2,500.

(5) Amount includes the following: $7,397 in spousal travel, $10,060 in reimbursements for tax preparation and estate planning services, $12,552 in life insurance premiums and $18,689 in tax gross-up payments.

(6) Amount includes the following: $4,481 in life insurance premiums and $2,527 in tax gross-up payments.

(7) Amount includes the following: $200 service award, $11,495 in life insurance premiums and $5,773 in tax gross-up payments.

(8) Mr. Turner joined TriNet in April 2012.

(9) Mr. Turner received an option to purchase 220,000 shares of common stock (as adjusted for a 2-for-1 forward stock split in July 2013) as a new hire grant.

(10) Amount includes the following: $416 in life insurance premiums and $352 in tax gross-up payments.

Outstanding Equity Awards at December 31, 2012

The following table provides information regarding outstanding equity awards held by our named executive officers as of December 31, 2012.

		Option Awards [1][2]				Stock Awards [1]	
		Number of Securities Underlying Unexercised Options (#)					
Name	Grant Date	Exercisable	Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares that Have Not Vested (#)	Market Value of Shares that Have Not Vested ($)
Burton M. Goldfield	5/6/2008[3]	371,818		1.91	5/6/2018		
	11/5/2008[3]	50,000		3.02	11/5/2018		
	11/18/2009	76,150	52,370	1.23	11/18/2019		
	9/20/2010	33,750	26,250	3.70	9/20/2020		
	3/6/2012		80,000	4.12	3/6/2022		
	11/18/2009					17,956	154,691
William Porter	8/23/2010		187,500	3.70	8/23/2020		
	2/9/2012		50,000	4.12	2/9/2022		
Gregory L. Hammond	8/9/2005[3]	110,956		1.00	8/9/2015		
	8/2/2006[3]	61,076		1.00	8/2/2016		
	7/11/2007[3]	42,000		1.67	7/11/2017		
	11/5/2008[3]	30,000		3.02	11/5/2018		
	11/18/2009	38,540	11,460	1.23	11/18/2019		
	8/17/2010	17,500	12,500	3.70	8/17/2020		
	2/9/2012		40,000	4.12	2/9/2022		
John Turner	5/17/2012		220,000	4.12	2/9/2022		

(1) Unless otherwise noted, all awards referenced in this table were granted under our 2009 Equity Incentive Plan, and are subject to a 4-year vesting schedule, with 25% vesting upon the 12-month anniversary of the date of grant, and 1/48 th of the total number of shares vesting each month thereafter. The awards are also subject to accelerated vesting upon certain events, as summarized under "—Potential Payments upon Termination or Change in Control."

(2) Pursuant to provisions in our equity incentive plans, the exercise price and number of shares subject to certain of these options were adjusted in connection with special cash distributions of $2.20 and $3.13 per share of common stock that occurred on July 15, 2011 and May 15, 2012, respectively. In addition, we affected a 2-for-1 forward stock split in July 2013. Accordingly, the share totals and exercise prices shown in the table above (and in the corresponding footnotes) reflect our named executive officers' post-cash distribution and

post-split holdings. The exercise price and number of shares listed in the table above do not reflect any adjustments in connection with the special cash distribution paid to our common stockholders on August 30, 2013.

(3) Award granted under our 2000 Equity Incentive Plan.

Grants of Plan-Based Awards During 2012

The following table provides information with regard to potential cash bonuses paid or payable in 2012 under our performance-based, non-equity incentive plan, and with regard to each stock option award granted to each named executive officer under our equity incentive plans during 2012.

Name	Grant Date	Possible Payouts Under Non-Equity Incentive Plan Awards [1]			All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards $/sh [2]	Grant Date Fair Value of Option Awards ($) [3]
		Threshold ($)	Target ($)	Maximum ($)			
Burton M. Goldfield	—	101,250	270,000	472,500			
	3/6/2012				80,000	4.12	579,600
William Porter	—	60,000	160,000	280,000			
	2/9/2012				50,000	4.12	362,250
Gregory L. Hammond	—	32,500	130,000	195,000			
	2/9/2012				40,000	4.12	289,800
John Turner	—	35,000	175,000	293,125			
	5/17/2012				220,000	4.12	1,593,900

(1) Amounts represent the range of possible cash payouts under our 2012 Executive Bonus Plan and in connection with MBOs. The threshold amount that could have been earned by each named executive officer was 50% of the target bonus under the 2012 Executive Bonus Plan (or 40% for Mr. Turner), and the maximum amount that could have been earned was 200% of the target bonus under the 2012 Executive Bonus Plan (or 235% for Mr. Turner) and 100% of the MBO bonus. There was no separate minimum threshold for MBO bonuses.

(2) See footnote (2) to the Outstanding Equity Awards at December 31, 2012 table for an explanation of adjustments to the number of shares and exercise prices of certain options listed in this table.

(3) The grant date fair value of option awards granted prior to May 15, 2012 was calculated using the exercise price on the date of grant prior to the subsequent adjustment of the exercise price in connection with the special cash distribution paid on May 15, 2012.

Option Exercises and Stock Awards Vested in 2012

The following table shows for 2012 certain information regarding option exercises and stock awards accrued on vesting during the last fiscal year with respect to the named executive officers:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($) [1]	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($) [2]
Burton M. Goldfield	50,000	881,000	17,204	262,945
William Porter	131,250	1,714,223		
Gregory L. Hammond	4,190	60,713		

(1) Represents the value realized based upon the difference between the fair market value of our common stock on the exercise date less the exercise price of such shares.

(2) Represents the value based upon the fair market value of our common stock on the issuance date multiplied by the number of shares issued.

Employment Arrangements

Employment agreements or written offer letters are used from time to time on a case by case basis to attract and/or to retain executives. We currently maintain written employment agreements with all of our named executive officers. These arrangements provide for "at will" employment and set forth the terms and conditions of employment of each executive officer, including base salary, annual bonus opportunity, employee benefit plan participation, and equity awards. These agreements were each subject to execution of our standard proprietary information and inventions agreement.

Each of our named executive officers is entitled to certain severance and change of control benefits pursuant to their employment agreements, the terms of which are described below under the heading "—Potential Payments Upon Termination or Change in Control." In addition, each employment agreement with our named executive officers provides that TriNet will pay up to $15,000 in annual premiums for a supplemental life insurance policy for such executive with a benefit amount of at least $500,000, and TriNet will reimburse such executive for financial planning and income tax services, up to a maximum of $10,000 per year.

Employment Agreement with Mr. Goldfield

We entered into an employment agreement with Mr. Goldfield in November 2009 setting forth the terms of Mr. Goldfield's employment as our President and Chief Executive Officer. Mr. Goldfield's current annual base salary for 2013 is $500,000. Mr. Goldfield is eligible to receive annual performance-based bonuses determined by our compensation committee and based on the achievement of corporate and individual performance goals. For fiscal 2013, Mr. Goldfield's target bonus is $375,000.

Employment Agreement with Mr. Porter

We entered into an employment agreement with Mr. Porter in August 2010 setting forth the terms of Mr. Porter's employment as our Vice President and Chief Financial Officer. Mr. Porter's annual base salary for 2013 is $340,000. Mr. Porter is eligible to receive annual performance-based bonuses determined by our compensation committee and based on the achievement of corporate and individual performance goals. For fiscal 2013, Mr. Porter's target bonus is $188,000.

Employment Agreement with Mr. Hammond

We entered into an employment agreement with Mr. Hammond in November 2009 setting forth the terms of Mr. Hammond's employment as our Chief Legal Officer and Executive Vice President. Mr. Hammond's current annual base salary for 2013 is $295,000. Mr. Hammond is eligible to receive annual performance-based bonuses determined by our compensation committee and based on the achievement of corporate and individual performance goals. For fiscal 2013, Mr. Hammond's target bonus is $150,000.

Employment Agreement with Mr. Turner

We entered into an employment agreement with Mr. Turner in March 2012 setting forth the terms of Mr. Turner's employment as our Senior Vice President, Sales. Pursuant to the agreement, Mr. Turner is paid an annual salary of $250,000. Mr. Turner is eligible to receive annual performance-based bonuses determined by our compensation committee and based on the achievement of corporate and individual performance goals. For fiscal 2013, Mr. Turner's target bonus is $195,000.

Potential Payments upon Termination or Change in Control

If we terminate one of our named executive officers without cause or if such executive resigns for good reason, such executive will be entitled to receive the following benefits, subject to his execution of an effective release of claims in our favor:

- A lump sum cash payment in an amount equal to 12 months (for Mr. Porter, Mr. Hammond and Mr. Turner) or 18 months (for Mr. Goldfield) of his then-current base salary;

- 100% of the actual performance bonus earned by Mr. Porter and Mr. Hammond, and 150% of the actual performance bonus earned by Mr. Goldfield in the year prior to such termination;
- Accelerated vesting of the portion of the executive's unvested equity awards that would have vested during the 6 months (for Mr. Turner), 12 months (for Mr. Porter and Mr. Hammond) and 18 months (for Mr. Goldfield) following his termination date, or 100% accelerated vesting of all then-unvested equity awards if the qualifying termination occurs within the six month period following a change in control of TriNet;
- Company-paid COBRA premiums for the executive and his covered dependents until the earlier of (i) the end of the 6 months (for Mr. Turner), 12 months (for Mr. Porter and Mr. Hammond) and 18 months (for Mr. Goldfield) following his termination date or (ii) such time as he qualifies for health insurance benefits through another source; and
- If the executive elects to convert his life insurance or disability insurance coverage into an individual policy, we will pay the premiums for the first 6 months (for Mr. Turner), 12 months (for Mr. Porter and Mr. Hammond) and 18 months (for Mr. Goldfield) following his termination date, or such earlier date as he ceases to maintain coverage.

The amounts in the table below assumes that the named executive officer terminated employment from TriNet as of December 31, 2012 and sets forth the estimated payments that each would have received under their employment agreements described above.

	Change in Control					No Change in Control				
Name	Salary	Bonus	Health Benefits (1)	Equity Acceleration (2)	Total	Salary	Bonus	Health Benefits (1)	Equity Acceleration (2)	Total
Burton M. Goldfield	690,000	405,000	24,872	634,042	1,753,914	690,000	405,000	24,872	490,030	1,609,902
William Porter	340,000	160,000	19,724	614,063	1,133,787	340,000	160,000	19,724	181,641	701,365
Gregory L. Hammond	295,000	130,000	22,821	123,438	571,259	295,000	130,000	22,821	42,563	490,384
John Turner	250,000	—	11,351	495,000	756,351	250,000	—	11,351	61,875	323,226

(1) Amount only includes estimated monthly premium for continued health benefits under our existing group health insurance plans. Does not include monthly premiums for individual conversion life insurance or disability insurance policies.

(2) Based on the fair market value of our common stock as of December 31, 2012, which was $8.62 per share (as adjusted in connection with a 2-for-1 forward stock split in July 2013).

Equity Incentive Plans

The principal features of our equity incentive plans are summarized below. These summaries are qualified in their entirety by reference to the actual text of the plans, which are filed as exhibits to the registration statement of which this prospectus is a part.

2000 Equity Incentive Plan

Our board of directors adopted, and our stockholders approved, our 2000 Equity Incentive Plan, or the 2000 Plan, in November 2000. The 2000 Plan was amended and restated most recently in June 2005. No grants have been made from the 2000 Plan since the adoption of our 2009 Equity Incentive Plan, and the 2000 Plan terminated pursuant to its terms in November 2010. Awards of incentive stock options, nonstatutory stock options, restricted stock awards, stock appreciation rights and restricted stock units, collectively, the stock awards, were available for grant under the 2000 Plan. However, any outstanding stock awards granted under the 2000 Plan will remain outstanding, subject to the terms of our 2000 Plan and the applicable award agreements, until such outstanding awards are exercised, or until they terminate or expire by their terms. As of September 30, 2013, options to purchase 104,484 shares of our common stock remained outstanding under the 2000 Plan.

Plan Administration

Our board of directors or a duly authorized committee of our board of directors administers our 2000 Plan and the stock awards granted under it.

Changes to Capitalization

In the event that there is a specified type of change in our capital structure not involving the receipt of consideration by us, such as a stock split, stock dividend or other recapitalization, the 2000 Plan provides for the proportional adjustment of the number of shares reserved under the 2000 Plan, the number of shares available for incentive stock option awards under the 2000 Plan and the number of shares and exercise price or strike price, if applicable, of all outstanding stock awards.

Corporate Transactions

In the event of certain corporate transactions, as defined in the 2000 Plan, each outstanding stock award may be assumed or continued or an equivalent stock award may be substituted by a successor corporation and any reacquisition or repurchase rights held by us in respect of common stock issued pursuant to prior stock awards may be assigned to the successor corporation. If the successor corporation does not agree to assume stock awards or to substitute equivalent stock awards, all such stock awards held by current service providers will become fully vested and exercisable for a period of time prior to the corporate transaction, and any reacquisition or repurchase rights will lapse. Any awards that have not been assumed, continued, substituted, or exercised prior to the corporate transaction and that are held by persons other than current service providers will terminate at the closing of the transaction. In the event a stock award will terminate if not exercised prior to the closing of the transaction, our board of directors may provide that the holder will receive a payment equal in value to the excess, if any, of (i) the value of the property the holder would have received upon the exercise of the stock award, over (ii) any exercise price payable by such holder in connection with such exercise.

In the event of our dissolution or liquidation, all outstanding stock awards under the 2000 Plan will terminate immediately prior to such event.

Transferability

A participant may not transfer stock awards under our 2000 Plan other than by will, the laws of descent and distribution, or as otherwise provided under our 2000 Plan.

2009 Equity Incentive Plan

Our board of directors adopted our 2009 Equity Incentive Plan, or the 2009 Plan, in November 2009, and our stockholders approved our 2009 Plan in March 2010. The 2009 Plan was amended and restated most recently in 2013. Our 2009 Plan provides for the grant of incentive stock options, or ISOs, within the meaning of Section 422 of the Code, to our employees, and for the grant of nonstatutory stock options, or NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance stock awards, performance cash awards, and other forms of equity compensation, collectively, the stock awards, to our employees, directors, and consultants. As of September 30, 2013, 3,238,888 shares of common stock were issuable upon the exercise of options, 3,266 shares of common stock were issuable upon the settlement of restricted stock units, and 1,039,454 shares of common stock remained available for issuance under the 2009 Plan.

Authorized Shares

The maximum number of shares of our common stock that may be issued under our 2009 Plan is 6,618,954. Additionally, the number of shares of our common stock reserved for issuance under our 2009 Plan will automatically increase on January 1 of each year for a period of up to 10 years, beginning on January 1, 2014 and ending on and including January 1, 2023, by % of the total number of shares of our capital stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares determined by our board of directors. The maximum number of shares that may be issued upon the exercise of ISOs under our 2009 Plan is . Shares subject to stock awards granted under our 2009 Plan that expire or terminate without all of the shares covered by the stock award being issued or that are paid out in cash rather than in shares, do not reduce the number of shares available for issuance under our 2009 Plan. Additionally, shares issued pursuant to stock awards under our 2009

Plan that we repurchase or that are forfeited, as well as shares used to pay the exercise price of a stock award, shares subject to stock awards that are cancelled in substitution for a new stock award or to satisfy the tax withholding obligations related to a stock award, become available for future grant under our 2009 Plan.

No participant under the 2009 Plan will be eligible to receive more than 800,000 shares in any calendar year under the 2009 Plan. Such limitation is designed to help assure that any deductions to which we would otherwise be entitled with respect to such awards will not be subject to the $1 million limitation on the income tax deductibility of compensation paid per covered executive officer imposed by Section 162(m) of the Code.

Plan Administration

Our board of directors or a duly authorized committee of our board of directors administers our 2009 Plan and the stock awards granted under it. Our board of directors may also delegate to one or more of our officers the authority to (i) designate employees (other than officers) to receive specified stock awards, and (ii) determine the number of shares subject to such stock awards; provided, however, that the board of directors must specify the total number of shares of common stock that may be subject to the stock awards granted by such officer or officers. Subject to the terms of our 2009 Plan, our board of directors has the authority to determine and amend the terms of awards, including recipients, the exercise, purchase or strike price of stock awards, if any, the number of shares subject to each stock award, the fair market value of a share of our common stock, the vesting schedule applicable to the awards, together with any vesting acceleration, and the form of consideration, if any, payable upon exercise or settlement of the award and the terms of the award agreements for use under our 2009 Plan. Our board of directors has the power to modify outstanding awards under our 2009 Plan. Our board of directors has the authority to reprice any outstanding option or stock appreciation right, cancel any outstanding stock award in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any adversely affected participant.

Performance Awards

Our 2009 Plan permits the grant of performance-based stock and cash awards. Our compensation committee may structure awards so that the stock or cash will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period. Our compensation committee may establish performance goals by selecting from one or more of a variety of performance criteria set forth in the 2009 Plan.

Changes to Capitalization

In the event that there is a specified type of change in our capital structure not involving the receipt of consideration by us, such as a stock split, stock dividend or other recapitalization, the 2009 Plan provides for the proportional adjustment of the number of shares reserved under the 2009 Plan, the number of shares available for ISO awards, the limit on the number of shares a participant may be awarded in a calendar year, and the number of shares and exercise price or strike price, if applicable, of all outstanding stock awards.

Corporate Transactions

Our 2009 Plan provides that in the event of certain specified significant corporate transactions, as defined in the 2009 Plan, except as otherwise provided in the applicable award agreement, each outstanding award will be treated as our board of directors determines. Our board of directors may (i) arrange for the assumption, continuation or substitution of a stock award by a successor corporation; (ii) arrange for the assignment of any reacquisition or repurchase rights held by us to a successor corporation; (iii) accelerate the vesting, in whole or in part, of the stock award and provide for its termination prior to the transaction; (iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by us; (v) cancel or arrange for the cancellation of the stock award prior to the transaction in exchange for a cash payment, if any, determined by our board of directors, or (vi) make a payment, in the form determined by our board of directors, equal to (A) the value of the property that the award holder would have received on the exercise of a stock awards, over (B) any exercise price payable by such holder in connection with such exercise. Our board of directors is not obligated to treat all stock awards or portions of stock awards, even those that are of the same type, in the same manner.

Transferability

A participant may not transfer stock awards under our 2009 Plan other than by will, the laws of descent and distribution, or as otherwise provided under our 2009 Plan.

Plan Amendment or Termination

Our board of directors has the authority to amend, suspend, or terminate our 2009 Plan, provided that such action is approved by our stockholders to the extent stockholder approval is necessary and that such action does not impair the existing rights of any participant without such participant's written consent. Unless sooner terminated, the 2009 Plan will terminate on the day before the tenth anniversary of the date the Plan was adopted by our board of directors. No stock awards may be granted under our 2009 Plan while it is suspended or after it is terminated.

2013 Employee Stock Purchase Plan

Our board of directors adopted, and our stockholders approved, our 2013 Employee Stock Purchase Plan, or our ESPP, in 2013. Our ESPP includes both a component that is intended to qualify as an employee stock purchase plan under Section 423 of the Code and a component that is not intended to so qualify. The purposes of the non-423 component of our ESPP is to authorize the grant of purchase rights that do not meet the requirements of an employee stock purchase plan because of deviations necessary or desirable to permit participation in our ESPP by employees who are foreign nationals or employed outside of the United States, while complying with applicable foreign laws.

Authorized Shares

The maximum aggregate number of shares of our common stock that may be issued under our ESPP is shares. Additionally, the number of shares of our common stock reserved for issuance under our ESPP will increase automatically each year for a period of up to 10 years, beginning on January 1, 2014 and continuing through and including January 1, 2023, by the lesser of (i) % of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year; (ii) shares of common stock; or (iii) such lesser number as determined by our board of directors. The stock purchasable under the ESPP will be shares of authorized but unissued or reacquired common stock, including shares repurchased by us in the open market. Shares subject to purchase rights granted under our ESPP that terminate without having been exercised in full will be available for grant under our ESPP.

Plan Administration

Our board of directors will administer our ESPP. Our board of directors may delegate authority to administer our ESPP to our compensation committee. The administrator may approve offerings with a duration of not more than 27 months, and may specify one or more shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of our common stock will be purchased for the employees who are participating in the offering. The administrator, in its discretion, will determine the terms of offerings under our ESPP including determining which of our designated affiliates will be eligible to participate in the 423 component of our ESPP and which of our designated affiliates will be eligible to participate in the non-423 component of our ESPP.

Eligibility

Our employees, including executive officers, may have to satisfy one or more of the following service requirements before participating in our ESPP, as determined by the administrator: (i) customary employment for more than 20 hours per week and more than five months per calendar year, or (ii) continuous employment for a minimum period of time, not to exceed two years. An employee may not be granted rights to purchase stock under our ESPP if such employee (i) immediately after the grant would own stock possessing 5% or more of the total combined voting power or value of our common stock, or (ii) holds rights to purchase stock under our ESPP that would accrue at a rate that exceeds $25,000 worth of our stock for each calendar year that the rights remain outstanding.

Purchase Rights and Purchase Price

Our ESPP permits participants to purchase shares of our common stock through payroll deductions or other methods with up to % of their earnings. The purchase price of the shares will be not less than 85% of the lower of the fair market value of our common stock on the first day of an offering or on the date of purchase. No participant will be permitted to purchase more than shares during any one purchase period, unless otherwise provided under the terms of an offering as determined by our board of directors or the compensation committee.

Transferability

A participant may not transfer purchase rights under our ESPP other than by will, the laws of descent and distribution, or as otherwise provided under our ESPP.

Corporate Transactions

In the event of a specified corporate transaction, such as a merger or change in control, a successor corporation may assume, continue or substitute each outstanding purchase right. If the successor corporation does not assume, continue or substitute for the outstanding purchase rights, the offering in progress may be shortened and a new exercise date will be set, so that the participants' purchase rights can be exercised and terminate immediately thereafter.

Plan Amendment or Termination

Our board of directors has the authority to amend, suspend or terminate our ESPP, at any time and for any reason. Any benefits, privileges, entitlements and obligations under any outstanding purchase rights granted before an amendment, suspension or termination of the ESPP will not be materially impaired except (i) with the participant's consent, (ii) to comply with any laws, listing requirements, or regulations, or (iii) to obtain or maintain favorable tax, listing, or regulatory treatment.

401(k) Plan

We maintain a tax-qualified retirement plan that provides eligible U.S. employees with an opportunity to save for retirement on a tax advantaged basis. Eligible employees are able to defer eligible compensation subject to applicable annual Code limits. We make annual matching contributions equal to 50% of an employee's annual contributions, up to a maximum of $2,500. Employees' pre-tax contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions. Employees are immediately and fully vested in their contributions and the annual employer match. The 401(k) plan is intended to be qualified under Section 401(a) of the Code with the 401(k) plan's related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan.

Limitation on Liability and Indemnification Matters

Our amended and restated certificate of incorporation and restated bylaws, each to be effective upon the completion of this offering, will provide that we will indemnify our directors and officers, and may indemnify our employees and other agents, to the fullest extent permitted by the Delaware General Corporation Law. However, Delaware law prohibits our amended and restated 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 amended and restated certificate of incorporation does 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 amended and restated bylaws, we will also be empowered to enter into indemnification agreements with our directors, officers, employees and other agents and to purchase insurance on behalf of any person whom we are required or permitted to indemnify.

In addition to the indemnification required in our amended and restated certificate of incorporation and amended and restated bylaws, we intend to enter into indemnification agreements with each of our current directors and officers. These agreements provide for the indemnification of such persons for all reasonable expenses and liabilities 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 bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. Furthermore, we have obtained director and officer liability insurance to cover liabilities our directors and officers may incur in connection with their services to us and expect to increase the level upon completion of this offering.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. 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 by any director or officer.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Other than compensation arrangements for our directors and executive officers, in this section we describe transactions since January 1, 2010 to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest.

We believe the terms of the transactions described below were comparable to terms we could have obtained in arm's length dealings with unrelated third parties.

Tender Offer

In November 2012, we made a tender offer to purchase up to 1,100,000 shares of our outstanding common stock for $8.62 per share in cash, which we refer to as the November 2012 tender offer. In order to participate in the November 2012 tender offer, stockholders must have held shares of our common stock as of November 30, 2012 and must have held such shares for at least six months as of such date. We completed the November 2012 tender offer in December 2012, purchasing 304,270 shares of common stock for an aggregate purchase price of $2.6 million. No directors sold shares in the November 2012 tender offer. One executive officer, Mr. Hammond, sold 4,000 shares in the November 2012 tender offer.

Also, in March 2013, we made a tender offer to purchase up to 900,000 shares of our outstanding common stock for $16.40 per share in cash, which refer to as the March 2013 tender offer. In order to participate in the March 2013 tender offer, stockholders must have held shares of our common stock as of March 29, 2013 and must have held such shares for at least six months as such date. We completed the March 2013 tender offer in May 2013, purchasing 203,864 shares of common stock for an aggregate purchase price of $3.3 million. No directors or executive officers sold shares in the March 2013 tender offer.

Other Transactions

In connection with our initial public offering, we intend to enter into indemnification agreements with our directors and officers as described in "Executive Compensation—Limitation on Liability and Indemnification Matters."

See "Executive Compensation—Outstanding Equity Awards at December 31, 2012" and "Executive Compensation—Employment Arrangements" for additional information regarding our compensation of and employment agreements with our named executive officers. See "Management—Non-Employee Director Compensation" for additional information regarding our compensation of our non-employee directors.

Policies and Procedures for Transactions with Related Persons

We intend to adopt a policy that our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any class of our common stock and any members of the immediate family of any of the foregoing persons are not permitted to enter into a related person transaction with us without the prior consent of our audit committee. Any request for us to enter into a transaction with an executive officer, director, nominee for election as a director, beneficial owner of more than 5% of any class of our common stock or any member of the immediate family of any of the foregoing persons, in which the amount involved exceeds $100,000 and such person would have a direct or indirect interest, must first be presented to our audit committee for review, consideration and approval. In approving or rejecting any such proposal, our audit committee is to consider the material facts of the transaction, including, but not limited to, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction. All of the transactions described above were entered into after presentation, consideration and approval by our board of directors.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth, as of September 30, 2013, information regarding beneficial ownership of our capital stock by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock;
- each of our named executive officers;
- each of our directors;
- all of our current executive officers and directors as a group; and
- each of the selling stockholders.

Beneficial ownership is determined according to the rules of the SEC and generally means that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power of that security, including securities that person has the right to acquire, such as through exercise of an option, warrant or right, or through the conversion of another security, within 60 days. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons named in the table below have sole voting and investment power with respect to all shares of common stock shown that they beneficially own, subject to community property laws where applicable. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Securities Act. Unless otherwise indicated, based on the information supplied to us by or on behalf of the selling stockholders, no selling stockholder is a broker-dealer or an affiliate of a broker-dealer.

Our calculation of the percentage of beneficial ownership prior to this offering is based on 26,449,910 shares of our common stock (including preferred stock on an as-converted basis) outstanding as of September 30, 2013. We have based our calculation of the percentage of beneficial ownership after this offering on shares of our common stock outstanding immediately after the closing of this offering (assuming no exercise of the underwriters' option to purchase additional shares of common stock and the sale of shares of our common stock by the selling stockholders).

Common stock subject to stock options currently exercisable or exercisable within 60 days of September 30, 2013, or issuable upon settlement of restricted stock units within 60 days of September 30, 2013, is deemed to be outstanding for computing the percentage ownership of the person holding these options or restricted stock units and the percentage ownership of any group of which the holder is a member but is not deemed outstanding for computing the percentage of any other person.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o TriNet Group, Inc., 1100 San Leandro Blvd., Suite 400, San Leandro, CA 94577.

Name of beneficial owner	Shares beneficially owned prior to the offering		Number of shares being offered	Shares beneficially owned after the offering	
	Number	Percentage		Number	Percentage
5% Stockholders:					
David C. Hodgson [1]	19,175,648	72.5%			
Funds Affiliated with General Atlantic [1]	19,032,854	72.0%			
Martin Babinec	2,693,372	10.2%			
Named Executive Officers and Directors:					
Katherine August-deWilde	—	—			
Martin Babinec [2]	2,693,372	10.2%			
H. Raymond Bingham	242,788	*			
Burton M. Goldfield [3]	796,782	3.0%			
Kenneth Goldman	120,000	*			
Gregory L. Hammond [4]	213,364	*			
David C. Hodgson [1]	19,175,648	72.5%			
Wayne B. Lowell	120,000	*			
William Porter [5]	387,496	1.5%			
John Turner [6]	91,666	*			
All executive officers and directors as a group (10 persons) [7]	23,841,116	89.9%			
Certain Other Selling Stockholders:					

* Represents beneficial ownership of less than 1% of the outstanding common stock.

(1) Includes (i) 10,782,882 shares and 7,189,936 shares owned by GA TriNet, LLC ("GA TriNet") upon the conversion of 5,391,441 shares of Series G Preferred Stock and 3,594,968 shares of Series H Preferred Stock, respectively, and (ii) 1,060,036 shares owned by HR Acquisitions, LLC ("HR Acquisitions") upon the conversion of 530,018 shares of Series H Preferred Stock. The members of GA TriNet are General Atlantic Partners 79, L.P., a Delaware limited partnership ("GAP 79"), General Atlantic Partners 84, L.P., a Delaware limited partnership ("GAP 84"), GAP-W, LLC, a Delaware limited liability company ("GAP-W"), GapStar, LLC, a Delaware limited liability company ("GapStar"), GAP Coinvestments CDA, L.P., a Delaware limited partnership ("GAPCO CDA"), GAP Coinvestments III, LLC, a Delaware limited liability company ("GAPCO III"), GAP Coinvestments IV, LLC, a Delaware limited liability company ("GAPCO IV"), and GAPCO GmbH & Co. KG, a German limited partnership ("GAPCO KG"). The members of HR Acquisitions are GAP 84, GAP-W, GapStar, GAPCO CDA, GAPCO III, GAPCO IV and GAPCO KG (together with GAP 79, the "GA Funds"). General Atlantic GenPar, L.P. ("GA GenPar") is the general partner of GAP 84 and the manager of GAP-W. General Atlantic LLC ("GA LLC") is the general partner of GA GenPar, the general partner of GAP 79 and GAPCO CDA and the managing member of GAPCO III and GAPCO IV. GAPCO Management GmbH ("Management GmbH") is the general partner of GAPCO KG. The Managing Directors of GA LLC (the "GA Managing Directors") control the voting and investment decisions made by GAPCO KG and Management GmbH. There are 22 GA Managing Directors. Mr. Hodgson, a member of our board of directors, is a GA Managing Director. Certain GA Managing Directors are the members of GapStar. GA TriNet, HR Acquisitions, GAP 79, GAP 84, GAP-W, GAPCO III, GAPCO IV, GAPCO CDA, GAPCO KG, GapStar, Management GmbH, GA GenPar and GA LLC are a "group" within the meaning of Rule 13d-5 of the Exchange Act. The GA Managing Directors may be deemed to share voting and dispositive power with respect to shares and interests held by the GA Funds. The GA Funds control GA TriNet and HR Acquisitions by virtue of their ownership of all of the interests of GA TriNet and HR Acquisitions. Consequently, GA TriNet and HR Acquisitions, the GA Funds, GA LLC and GA Managing Directors may, from time to time, consult among themselves and coordinate the voting and disposition of the shares held by GA TriNet and HR Acquisitions. Mr. Hodgson disclaims beneficial ownership of all of such shares except to the extent of his pecuniary interest therein. The mailing address of the foregoing General Atlantic entities is c/o General Atlantic Service Company, LLC, 55 East 52nd Street, 32nd Floor, New York, NY 10055. The mailing address of GAPCO KG and Management GmbH is c/o General Atlantic GmbH, Maximilianstrasse 35b, 80539 Munich, Germany.

(2) Includes 1,943,372 shares held by The Babinec Family Trust, for which Mr. Babinec shares voting and investment power, and 750,000 shares held by The Martin Babinec 2012 GRAT 2012 DTD 01/30/2012, for which Mr. Babinec has sole voting and investment power.

(3) Includes (i) 23,034 shares issuable pursuant to stock options exercisable within 60 days of September 30, 2013, (ii) 3,266 shares issuable upon settlement of restricted stock units within 60 days of September 30, 2013 and (iii) 260,000 shares held by Burton M. Goldfield and Maud Carol Goldfield, Trustees, u/a/d 11/6/00, for which Mr. Goldfield shares voting and investment power.

(4) Includes 10,042 shares issuable pursuant to stock options exercisable within 60 days of September 30, 2013.

(5) Includes 31,250 shares issuable pursuant to stock options exercisable within 60 days of September 30, 2013.

(6) Consists of 16,666 shares issuable pursuant to stock options exercisable within 60 days of September 30, 2013.

(7) Consists of (i) 23,756,858 shares held by the directors and executive officers, (ii) 80,992 shares issuable pursuant to stock options held by such persons that are exercisable within 60 days of September 30, 2013 and (iii) 3,266 shares issuable upon settlement of restricted stock units within 60 days of September 30, 2013.

DESCRIPTION OF CAPITAL STOCK

General

The following description of our capital stock summarizes the most important terms of our capital stock as they are expected to be in effect upon the closing of this offering. The descriptions of our capital stock and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws are summaries and are qualified by reference to the amended and restated certificate of incorporation and the amended and restated bylaws that will be in effect upon the closing of this offering. Copies of these documents will be filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part.

Upon the completion of this offering, our authorized capital stock will consist of 770,000,000 shares, all with a par value of $0.00005 per share, of which 750,000,000 shares are designated as common stock and 20,000,000 shares are designated as preferred stock.

As of September 30, 2013, we had outstanding 26,419,910 shares of common stock, which assumes the conversion of all outstanding shares of preferred stock into 19,032,854 shares of common stock immediately prior to the completion of this offering. Our outstanding capital stock was held by approximately 204 stockholders of record as of September 30, 2013. As of September 30, 2013, we also had outstanding options to acquire 104,484 shares of common stock held by employees, directors and consultants pursuant to our 2000 Plan having a weighted average exercise price of $1.14 per share and outstanding options to acquire 3,238,888 shares of common stock held by employees, directors and consultants pursuant to our 2009 Plan having a weighted average exercise price of $2.90 per share.

Common Stock

The holders of our common stock are entitled to one vote per share on all matters submitted to a vote of our stockholders. Subject to preferences that may be applicable to any preferred stock outstanding at the time, the holders of outstanding shares of common stock are entitled to receive ratably any dividends declared by our board of directors out of assets legally available therefor. In the event that we liquidate, dissolve or wind up, holders of our common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any then outstanding shares of preferred stock. Holders of common stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of common stock are, and all shares of common stock to be outstanding upon completion of this offering will be, fully paid and nonassessable.

Preferred Stock

As of September 30, 2013, there were 9,516,427 shares of our preferred stock outstanding. Immediately prior to the closing of this offering, all outstanding shares of our preferred stock will convert on a two-for-one basis into 19,032,854 shares of our common stock.

Upon the closing of this offering, our board of directors may, without further action by our stockholders, fix the rights, preferences, privileges and restrictions of up to an aggregate of 20,000,000 shares of preferred stock in one or more series and authorize their issuance, subject to the approval rights of the common stock described above. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of our common stock or common stock. The issuance of our preferred stock could adversely affect the voting power of holders of our common stock or common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control or other corporate action. Upon the closing of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Registration Rights

We are party to an amended and restated registration rights agreement that provides that holders of our preferred stock have certain registration rights with regard to the shares of common stock issuable upon conversion of such preferred stock, as set forth below. Our preferred stock will convert into 19,032,854 shares of common stock upon the completion of this offering. The primary holder of our preferred stock is GA TriNet LLC, which holds shares of preferred stock convertible into 17,972,818 shares of common stock. In this section, we refer to GA TriNet LLC and its affiliates and successors as the General Atlantic stockholders.

The registration of shares of our common stock pursuant to the exercise of registration rights described below would enable the holders to sell these shares without restriction under the Securities Act of 1933, or the Securities Act, when the applicable registration statement is declared effective. We will pay the registration expenses, other than the underwriting discounts and commissions, of the shares registered pursuant to the demand, piggyback and Form S-3 registrations described below. The demand, piggyback and Form S-3 registration rights described below will expire as to a given stockholder when such stockholder owns less than 1% of our outstanding common stock on an as-converted, fully-diluted basis or when all of the common stock held by such holder may be sold in a single sale under Rule 144.

Demand Registration Rights

At any time beginning six months after the closing of this offering, the General Atlantic stockholders may, on not more than three occasions, demand that we register all or a portion of their shares. In the event of such a demand, we must use our reasonable best efforts to cause such shares to be registered for sale under the Securities Act, subject to exceptions specified in the agreement. Such request for registration must cover shares with an anticipated aggregate offering price, net of the underwriting discounts and commissions, in excess of $10,000,000.

Piggyback Registration Rights

In the event that we propose to register any of our securities under the Securities Act in another offering, either for our own account or for the account of security holders other than the General Atlantic stockholders, the General Atlantic stockholders will be entitled to "piggyback" registration rights allowing them to include their shares in such registration. As a result, whenever we propose to file a registration statement under the Securities Act, including a registration statement on Form S-3 as discussed below, other than with respect to a demand registration or a registration statement on Forms S-4 or S-8, the General Atlantic stockholders are entitled to notice of the registration and have the right, subject to limitations that the underwriters may impose on the number of shares included in the registration, to include their shares in the registration.

Form S-3 Registration Rights

At any time beginning after we are eligible to use Form S-3 under the Securities Act, the General Atlantic stockholders may demand that we register all or a portion of their shares on Form S-3. In the event of such a demand, we must use our reasonable best efforts to cause such shares to be registered for sale under the Securities Act, subject to exceptions specified in the agreement. Such request for registration must cover shares with an anticipated aggregate offering price, net of the underwriting discounts and commissions, equal to or in excess of $5,000,000.

Anti-Takeover Provisions

Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws to be in Effect upon the Closing of this Offering

Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the outstanding shares of common stock outstanding will be able to elect all of our directors. Our amended and restated certificate of incorporation and amended and restated bylaws to be effective upon the closing of this offering will provide that all stockholder actions must be effected at a duly called meeting of stockholders and

not by written consent. A special meeting of stockholders may be called by holders of a majority of our common stock or by the majority of our whole board of directors, chair of our board of directors or our chief executive officer.

As described above in "Management—Board Composition," in accordance with our amended and restated certificate of incorporation to be filed in connection with this offering, immediately after this offering, our board of directors will be divided into three classes with staggered three-year terms.

The foregoing provisions will make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Because our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change our control.

These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage certain types of transactions that may involve an actual or threatened acquisition of us. These provisions are also designed to reduce our vulnerability to an unsolicited acquisition proposal 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 deterring hostile takeovers or delaying changes in our control or management. As a consequence, these provisions also may inhibit fluctuations in the market price of our stock that could result from actual or rumored takeover attempts.

Section 203 of the Delaware General Corporation Law

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon closing of the transaction that 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 began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned by (i) persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines business combination to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or

- the receipt by the interested stockholder of the benefit of any loss, advances, guarantees, pledges or other financial benefits by or through the corporation.
- In general, Section 203 defines an "interested stockholder" as an entity or person who, together with the person's affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

Choice of Forum

Our amended and restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or our bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine.

Limitations of Liability and Indemnification

See "Executive Compensation—Limitation on Liability and Indemnification Matters."

Listing

We intend to apply to have our common stock approved for listing on under the symbol " ."

Transfer Agent and Registrar

Upon the closing of this offering, the transfer agent and registrar for our common stock will be .

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our capital stock. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Based on the number of shares outstanding as of September 30, 2013, upon the closing of this offering, shares of common stock will be outstanding, assuming no exercise of the underwriters' option to purchase additional shares of common stock, no exercise of outstanding options and no issuance of shares upon settlement of restricted stock units. Of the outstanding shares, all of the shares sold in this offering will be freely tradable, except that any shares held by our affiliates, as that term is defined in Rule 144 under the Securities Act, may only be sold in compliance with the limitations described below.

The remaining shares of our common stock outstanding after this offering are restricted securities as such term is defined in Rule 144 under the Securities Act and are subject to lock-up agreements with us as described below. Following the expiration of the lock-up period, restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144 or 701 promulgated under the Securities Act, described in greater detail below.

Rule 144

In general, a person who has beneficially owned restricted shares of our common stock for at least six months would be entitled to sell their securities provided that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale and (ii) we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Persons who have beneficially owned restricted shares of our common stock for at least six months but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of shares of our common stock outstanding after this offering, which will equal shares assuming no exercise of the underwriters' option to purchase additional shares of common stock; or
- the average weekly trading volume of our common stock on the during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;
- provided, in each case, that we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales both by affiliates and by non-affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144.

Rule 701

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits re-sales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. Most of our employees, executive officers, directors or consultants who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares. However, substantially all Rule 701 shares are subject to lock-up agreements as described below and under "Underwriting" and will become eligible for sale at the expiration of those agreements.

Lock-Up Agreements

We, our directors and executive officers, and substantially all of our stockholders and option holders have agreed with the underwriters that for a period of 180 days following the date of this prospectus, subject to certain

exceptions, we and they will not, directly or indirectly, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale, or otherwise dispose of or hedge any of our shares of common stock, any options or warrants to purchase shares of our common stock, or any securities convertible into, or exchangeable for or that represent the right to receive shares of our common stock. J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC may, in their sole discretion, at any time, release all or any portion of the shares from the restrictions in such agreement.

Employees can only sell vested shares. Employees who do not hold vested shares, including shares subject to options, upon expiration of these selling restrictions will not be able to sell shares until they vest.

See “Underwriting” for a more complete description of the lock-up agreements with the underwriters.

Registration Rights

On the date beginning 180 days after the date of this prospectus, the holders of approximately 19,032,854 shares of our common stock, or their transferees, will be entitled to certain rights with respect to the registration of those shares under the Securities Act. For a description of these registration rights, see “Description of Capital Stock—Registration Rights.” If these shares are registered, they will be freely tradable without restriction under the Securities Act.

Equity Incentive Plans

As soon as practicable after the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register shares of our common stock subject to outstanding options, issued or reserved for issuance under our equity compensation plans and agreements. This registration statement will become effective immediately upon filing, and shares covered by this registration statement will thereupon be eligible for sale in the public markets, subject to vesting restrictions, the lock-up agreements described above and Rule 144 limitations applicable to affiliates. For a more complete discussion of our equity compensation plans, see “Executive Compensation—Employee Benefit Plans.”

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following summary describes the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our common stock acquired in this offering by Non-U.S. Holders (as defined below). This discussion does not address all aspects of U.S. federal income taxes and does not deal with state, local or non-U.S. tax consequences that may be relevant to Non-U.S. Holders in light of their particular circumstances, nor does it address U.S. federal tax consequences other than income taxes. Special rules different from those described below may apply to certain Non-U.S. Holders that are subject to special treatment under the Code such as financial institutions, insurance companies, tax-exempt organizations, broker-dealers and traders in securities, U.S. expatriates, "controlled foreign corporations," "passive foreign investment companies," corporations that accumulate earnings to avoid U.S. federal income tax, persons that hold our common stock as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or integrated investment or other risk reduction strategy, partnerships and other pass-through entities, and investors in such pass-through entities or entities that are treated as disregarded entities for U.S. federal income tax purposes (regardless of their places of organization or formation). Such Non-U.S. Holders are urged to consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them. Furthermore, the discussion below is based upon the provisions of the Code, and Treasury regulations, rulings and judicial decisions thereunder as of the date hereof, and such authorities may be repealed, revoked or modified, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions. This discussion assumes that the Non-U.S. Holder holds our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment).

The following discussion is for general information only and is not tax advice. Persons considering the purchase of our common stock pursuant to this offering should consult their own tax advisors concerning the U.S. federal income tax consequences of acquiring, owning and disposing of our common stock in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction, including any state, local or non-U.S. tax consequences or any U.S. federal non-income tax consequences.

For the purposes of this discussion, a "Non-U.S. Holder" is, for U.S. federal income tax purposes, a beneficial owner of common stock that is not a U.S. Holder. A "U.S. Holder" means a beneficial owner of our common stock that is for U.S. federal income tax purposes (a) an individual who is a citizen or resident of the United States, (b) a corporation or other entity treated as a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (d) a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person. Also, partnerships, or other entities that are treated as partnerships for U.S. federal income tax purposes (regardless of their place of organization or formation) and entities that are treated as disregarded entities for U.S. federal income tax purposes (regardless of their place of organization or formation) are not addressed by this discussion and are, therefore, not considered to be Non-U.S. Holders for the purposes of this discussion.

Distributions

Subject to the discussion below, distributions, if any, made on our common stock to a Non-U.S. Holder of our common stock to the extent made out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles) generally will constitute dividends for U.S. tax purposes and will be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. To obtain a reduced rate of withholding under a treaty, a Non-U.S. Holder generally will be required to provide us with a properly executed IRS Form W-8BEN, or other appropriate form, certifying the Non-U.S. Holder's entitlement to benefits under that treaty. In the case of a Non-U.S. Holder that is an entity, Treasury

Regulations and the relevant tax treaty provide rules to determine whether, for purposes of determining the applicability of a tax treaty, dividends will be treated as paid to the entity or to those holding an interest in that entity. If a Non-U.S. Holder holds stock through a financial institution or other agent acting on the holder's behalf, the holder will be required to provide appropriate documentation to such agent. The holder's agent will then be required to provide certification to us or our paying agent, either directly or through other intermediaries. If you are eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty, you should consult with your own tax advisor to determine if you are able to obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for a refund with the IRS.

We generally are not required to withhold tax on dividends paid to a Non-U.S. Holder that 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, are attributable to a permanent establishment that such holder maintains in the United States) if a properly executed IRS Form W-8ECI, stating that the dividends are so connected, is furnished to us (or, if stock is held through a financial institution or other agent, to such agent). In general, such effectively connected dividends will be subject to U.S. federal income tax, on a net income basis at the regular graduated rates, unless a specific treaty exemption applies. A corporate Non-U.S. Holder receiving effectively connected dividends may also be subject to an additional "branch profits tax," which is imposed, under certain circumstances, at a rate of 30% (or such lower rate as may be specified by an applicable treaty) on the corporate Non-U.S. Holder's effectively connected earnings and profits, subject to certain adjustments.

To the extent distributions on our common stock, if any, exceed our current and accumulated earnings and profits, they will first reduce your adjusted basis in our common stock as a non-taxable return of capital, but not below zero, and then any excess will be treated as gain and taxed in the same manner as gain realized from a sale or other disposition of common stock as described in the next section.

Gain on Disposition of Our Common Stock

Subject to the discussion below regarding backup withholding and foreign accounts, a Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to gain realized on a sale or other disposition of our common stock unless (a) the gain is effectively connected with a trade or business of such holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment that such holder maintains in the United States), (b) the Non-U.S. Holder is a nonresident alien individual and is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are met, or (c) we are or have been a "United States real property holding corporation" within the meaning of Code Section 897(c)(2) at any time within the shorter of the five-year period preceding such disposition or such holder's holding period.

If you are a Non-U.S. Holder described in (a) above, you will be required to pay tax on the net gain derived from the sale at regular graduated U.S. federal income tax rates, unless a specific treaty exemption applies, and corporate Non-U.S. Holders described in (a) above may be subject to the additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. If you are an individual Non-U.S. Holder described in (b) above, you will be required to pay a flat 30% tax on the gain derived from the sale, which gain may be offset by U.S. source capital losses (even though you are not considered a resident of the United States). With respect to (c) above, in general, we would be a United States real property holding corporation if interests in U.S. real estate comprised (by fair market value) at least half of our assets. We believe that we are not, and do not anticipate becoming, a United States real property holding corporation, however, there can be no assurance that we will not become a U.S. real property holding corporation in the future. Even if we are treated as a U.S. real property holding corporation, gain realized by a Non-U.S. Holder on a disposition of our common stock will not be subject to U.S. federal income tax so long as (1) the Non-U.S. Holder owned, directly, indirectly and constructively, no more than five percent of our common stock at all times within the shorter of (i) the five-year period preceding the disposition or (ii) the holder's holding period and (2) our common stock is regularly traded on an established securities market. There can be no assurance that our common stock will qualify as regularly traded on an established securities market.

Information Reporting Requirements and Backup Withholding

Generally, we or certain financial middlemen must report information to the IRS with respect to any dividends we pay on our common stock including the amount of any such dividends, the name and address of the recipient, and the amount, if any, of tax withheld. A similar report is sent to the holder to whom any such dividends are paid. Pursuant to tax treaties or certain other agreements, the IRS may make its reports available to tax authorities in the recipient's country of residence.

Dividends paid by us (or our paying agents) to a Non-U.S. Holder may also be subject to U.S. backup withholding. U.S. backup withholding generally will not apply to a Non-U.S. Holder who provides a properly executed IRS Form W-8BEN or otherwise establishes an exemption.

Under current U.S. federal income tax law, U.S. information reporting and backup withholding requirements generally will apply to the proceeds of a disposition of our common stock effected by or through a U.S. office of any broker, U.S. or non-U.S., except that information reporting and such requirements may be avoided if the holder provides a properly executed IRS Form W-8BEN or otherwise meets documentary evidence requirements for establishing Non-U.S. Holder status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding requirements will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the United States through a non-U.S. office of a non-U.S. broker. For information reporting purposes, certain non-U.S. brokers with substantial U.S. ownership or operations will generally be treated in a manner similar to U.S. brokers.

If backup withholding is applied to you, you should consult with your own tax advisor to determine if you are able to obtain a tax benefit, refund or credit with respect to such backup withholding.

Foreign Accounts

A U.S. federal withholding tax of 30% may apply on dividends and the gross proceeds of a disposition of our common stock paid to a foreign financial institution (as specifically defined by applicable 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 U.S. account holders of such institution (which includes certain equity holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). This U.S. federal withholding tax of 30% will also apply on dividends and the gross proceeds of a disposition of our common stock paid to a non-financial foreign entity unless such entity provides the withholding agent with either a certification that it does not have any substantial direct or indirect U.S. owners or provides information regarding direct and indirect U.S. owners of the entity. The withholding tax described above will not apply if the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from the rules. Under certain circumstances, a Non-U.S. Holder might be eligible for refunds or credits of such taxes. Holders are encouraged to consult with their own tax advisors regarding the possible implications of the legislation on their investment in our common stock. The withholding provisions described above will generally apply to payments of dividends made on or after July 1, 2014 and to payments of gross proceeds from a sale or other disposition of common stock on or after January 1, 2017.

THE PRECEDING DISCUSSION OF MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY. IT IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAW, AS WELL AS TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL, NON-U.S. OR U.S. FEDERAL NON-INCOME TAX LAWS.

UNDERWRITING

We and the selling stockholders are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC are acting as joint book-running managers of the offering and as representatives of the underwriters. Deutsche Bank Securities Inc. is acting as a joint book-running manager of the offering. We and the selling stockholders will enter into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we will agree to sell to the underwriters, and each underwriter will severally agree to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name	Number of Shares
J.P. Morgan Securities LLC	
Morgan Stanley & Co. LLC	
Deutsche Bank Securities Inc.	
Jefferies LLC	
Stifel, Nicolaus & Company, Incorporated	
William Blair & Company, L.L.C.	
Total	

The underwriters will be committed to purchase all shares offered by us and the selling stockholders if they purchase any shares. The underwriting agreement will also provide that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the shares directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to $ per share from the initial public offering price. After the initial public offering of the shares, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters. The representatives have advised us that the underwriters do not intend to confirm discretionary sales in excess of 5% of the common shares offered in this offering.

The underwriters will have an option to buy up to additional shares of common stock from to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. To the extent this over-allotment option is exercised for a number of shares of common stock less than the full amount of the option, , who will provide shares to be sold pursuant to this option will provide such shares proportionally. The underwriters will have 30 days from the date of this prospectus to exercise this over-allotment option. If any shares are purchased with this over-allotment option, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Per Share		Total	
	Without over-allotment exercise	With full over-allotment exercise	Without over-allotment exercise	With full over-allotment exercise
Underwriting discounts and commissions paid by us	$	$	$	$
Underwriting discounts and commissions paid by selling stockholders	$	$	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, including selling stockholder expenses and expenses, but excluding the underwriting discounts and commissions, will be approximately $ million.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

For a period of 180 days after the date of this prospectus, we will agree that we will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any shares of our common stock or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of shares of our common stock or such other securities, in cash or otherwise, without the prior written consent of J.P. Morgan Securities LLC or Morgan Stanley & Co. LLC, other than the shares of our common stock to be sold hereunder and certain other exceptions. Notwithstanding the foregoing, if (1) during the last 17 days of the 180-day restricted period, we issue an earnings release or material news or a material event relating to our company occurs; or (2) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Our executive officers, senior management and directors and substantially all of the holders of our capital stock have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of 180 days after the date of this prospectus, may not, without the prior written consent of J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock (including, without limitation, common stock or such other securities that may be deemed to be beneficially owned by the such directors, executive officers and stockholders in accordance with the rules and regulations of the Securities and Exchange Commission and securities that may be issued upon exercise of a stock option or warrant), or publicly disclose the intention to make any offer, sale, pledge or disposition, or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock or such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for common stock. Notwithstanding the foregoing, if (1) during the last 17 days of the 180-day restricted period, we issue an earnings release or material news or a material event relating to our company occurs; or (2) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions described above will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

We and the selling stockholders will agree to indemnify the underwriters, and we will also agree to indemnify in its capacity as qualified independent underwriter and their controlling persons against certain liabilities, including liabilities under the Securities Act of 1933. We will apply to have our common stock approved for listing/quotation on the under the symbol “ .”

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' over-allotment option referred to above, or may be "naked" shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their over-allotment option, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the over-allotment option. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the , as applicable, in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us, the selling stockholders and the representatives of the underwriters. In determining the initial public offering price, we, the selling stockholders and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we, the selling stockholders nor the underwriters can assure investors that an active trading market will develop for our common stock, or that the shares will trade in the public market at or above the initial public offering price.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide
from time to time in the future certain commercial banking, (including pursuant to the debt refinancing) financial

advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. For instance, affiliates of J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. are lenders under our credit facilities. In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve our securities and/or instruments. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Conflicts of Interest

We expect to use more than 5% of the net proceeds from the sale of the common stock to repay indebtedness under our credit facilities owed by us to affiliates of certain of the underwriters. See "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Facilities" for additional information regarding our credit facilities. Accordingly, the offering is being made in compliance with the requirements of Rule 5121 of the Financial Industry Regulatory Authority's conduct rules. This rule provides generally that if at least 5% of the net proceeds from the sale of securities, not including underwriting compensation, is paid to the underwriters or their affiliates, a "qualified independent underwriter," as defined in Rule 5121, must participate in the preparation of the registration statement of which this prospectus forms a part and perform its usual standard of due diligence with respect thereto. is assuming the responsibilities of acting as the qualified independent underwriter in conducting due diligence. We have agreed to indemnify against certain liabilities incurred in connection with acting as "qualified independent underwriter" for this offering, including liabilities under the Securities Act. In accordance with Rule 5121, the underwriters who receive at least 5% of the net proceeds from this offering will not sell shares of our common stock to a discretionary account without receiving the written approval from the account holder.

Selling Restrictions

Other than in the United States, no action has been taken by us, the selling stockholders or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities referred to by this prospectus in any jurisdiction in which such an offer or solicitation is unlawful.

LEGAL MATTERS

Cooley LLP, San Francisco, California, will pass upon the validity of the shares of common stock offered hereby. The underwriters are being represented by Fenwick & West LLP of Mountain View, California, in connection with the offering.

EXPERTS

The consolidated financial statements of TriNet Group, Inc. and its subsidiaries at December 31, 2011 and 2012, and for each of the three years in the period ended December 31, 2012 appearing in this prospectus and Registration Statement have been audited by Ernst & Young LLP, an independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of SOI Holdings, Inc. and its subsidiaries for the three years in the period ended December 31, 2011 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Ambrose Employer Group, LLC and Subsidiary as of December 31, 2011 and 2012 and for each of the three years in the period ended December 31, 2012 included in this prospectus have been so included in reliance on the report of CohnReznick LLP, independent auditors, given on the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to this offering of our common stock. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some items of which are contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits and the financial statements and notes filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The exhibits to the registration statement should be referenced for the complete contents of these contracts and documents. A copy of the registration statement and the exhibits filed therewith may be inspected without charge at the public reference room of the SEC, located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above. We also maintain a website at http://www.trinet.com. After the closing of this offering, you may access our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15 (d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not part of this prospectus.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and stockholders of
TriNet Group, Inc.

We have audited the accompanying consolidated balance sheets of TriNet Group, Inc. and Subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive income (loss), stockholders' deficit and cash flows for each of the three years in the period ended December 31, 2012. Our audits also included the financial statement schedule listed at Item 16(b). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of TriNet Group, Inc. and Subsidiaries at December 31, 2012 and 2011, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

San Francisco, California
November 20, 2013

TriNet Group, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	December 31,			Pro forma Stockholders' Deficit September 30,
	2011	2012	September 30, 2013	2013
				(unaudited)
Assets				
Current assets:				
Cash and cash equivalents	$ 31,620	$ 63,749	$ 112,161	
Restricted cash	8,305	8,996	15,607	
Prepaid income taxes	2,071	8,900	11,117	
Prepaid expenses	3,752	4,785	7,781	
Deferred loan costs and other current assets	516	4,730	5,690	
Worksite employee related assets	188,936	410,862	509,101	
Total current assets	235,200	502,022	661,457	
Workers compensation receivable	36,533	33,945	31,361	
Restricted investments available for sale	—	29,929	37,035	
Property and equipment, net	17,408	24,360	23,412	
Goodwill	12,363	195,966	289,463	
Other intangible assets, net	11,890	91,009	149,463	
Deferred income taxes	20,050	—	—	
Deferred loan costs and other assets	1,925	10,496	23,406	
Total assets	$335,369	$ 887,727	$ 1,215,597	
Liabilities and stockholders' deficit				
Current liabilities:				
Accounts payable	$ 4,366	$ 5,250	$ 7,140	
Accrued corporate wages	11,277	15,896	23,435	
Deferred income taxes	520	33,960	28,460	
Current portion of notes payable and borrowings under capital leases	1,423	9,803	6,714	
Other current liabilities	5,471	10,232	9,475	
Worksite employee related liabilities	185,719	399,501	500,692	
Total current liabilities	208,776	474,642	575,916	
Notes payable and borrowings under capital leases, less current portion	260	291,531	813,896	
Workers compensation liabilities	27,537	39,327	42,916	
Deferred income taxes	—	18,026	9,922	
Other liabilities	5,198	6,881	5,513	
Total liabilities	241,771	830,407	1,448,163	
Commitments and contingencies *(Note 13)*				
Series G convertible preferred stock, $.0001 per share stated value (aggregate liquidation preference of $59,306); 5,391,441 shares authorized, issued and outstanding at December 31, 2011 and 2012 and September 30, 2013; no shares authorized, issued and outstanding pro forma (unaudited)	59,059	59,059	59,059	—
Series H convertible preferred stock, $.0001 per share stated value (aggregate liquidation preference of $60,000); 4,124,986 shares authorized, issued and outstanding at December 31, 2011 and 2012 and September 30, 2013; no shares authorized, issued and outstanding pro forma (unaudited)	63,819	63,819	63,819	—
Stockholders' deficit:				
Common stock, $.00005 per share stated value; 32,000,000 shares authorized; 4,199,356, 5,354,612 and 7,417,056 shares issued and outstanding at December 31, 2011 and 2012 and September 30, 2013, respectively; 51,032,854 shares authorized, 26,449,910 shares issued and outstanding pro forma (unaudited)	35,440	45,488	71,017	193,895
Accumulated deficit	(64,550)	(110,851)	(426,303)	(426,303)
Accumulated other comprehensive loss	(170)	(195)	(158)	(158)
Total stockholders' deficit	(29,280)	(65,558)	(355,444)	(232,566)
Total liabilities and stockholders' deficit	$335,369	$ 887,727	$ 1,215,597	

See accompanying notes.

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TriNet Group, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share data)

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
				(unaudited)	
Professional service revenues	$ 139,495	$ 113,279	$ 148,233	$ 94,892	$ 195,642
Insurance service revenues	766,695	727,111	870,828	601,967	959,246
Total revenues	906,190	840,390	1,019,061	696,859	1,154,888
Costs and operating expenses:					
Insurance costs	713,653	651,094	750,025	518,386	858,862
Cost of providing services (exclusive of depreciation and amortization of intangible assets)	72,073	59,388	63,563	44,944	74,042
Sales and marketing	46,454	38,087	59,931	39,377	79,387
General and administrative	28,366	31,421	37,879	24,147	39,821
Systems development and programming costs	15,045	15,646	16,718	11,893	15,140
Amortization of intangible assets	17,960	12,388	17,441	7,853	35,926
Depreciation	12,042	9,201	11,676	9,100	8,908
Restructuring	5,922	2,358	—	—	—
Total costs and operating expenses	911,515	819,583	957,233	655,700	1,112,086
Operating income (loss)	(5,325)	20,807	61,828	41,159	42,802
Other income (expense):					
Interest expense	(4,444)	(751)	(9,709)	(2,835)	(32,091)
Other, net	67	127	57	22	309
Income (loss) before provision for (benefit from) income taxes	(9,702)	20,183	52,176	38,346	11,020
Provision for (benefit from) income taxes	(100)	4,646	20,344	15,386	3,880
Net income (loss)	$ (9,602)	$ 15,537	$ 31,832	$ 22,960	$ 7,140
Net income (loss) per share:					
Basic	$ (2.58)	$ 0.68	$ 1.33	$ 0.97	$ 0.29
Diluted	$ (2.58)	$ 0.65	$ 1.26	$ 0.92	$ 0.27
Weighted average common stock outstanding:					
Basic	3,727,195	3,921,341	4,902,692	4,728,686	5,750,789
Diluted	3,727,195	5,051,990	6,238,046	6,002,628	7,598,197
Pro forma net income per share (unaudited):					
Basic			$ 1.33		$ 0.29
Diluted			$ 1.26		$ 0.27
Pro forma weighted average common stock outstanding (unaudited):					
Basic			23,935,546		24,783,643
Diluted			25,270,900		26,631,051

See accompanying notes.

TriNet Group, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
				(unaudited)	
Net income (loss)	$(9,602)	$15,537	$31,832	$22,960	$7,140
Other comprehensive loss, net of tax					
Unrealized gains (losses) on investments	—	—	36	60	(9)
Unrealized (losses) gains on interest rate cap	—	—	(66)	(73)	66
Foreign currency translation adjustments	(12)	(7)	5	7	(20)
Total other comprehensive income (loss), net of tax	(12)	(7)	(25)	(6)	37
Comprehensive income (loss)	$(9,614)	$15,530	$31,807	$22,954	$7,177

See accompanying notes.

TriNet Group, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

(In thousands, except share and per share data)

	Preferred Stock–Series G		Preferred Stock–Series H		Common Stock		Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Deficit	Loss	Equity (Deficit)
Balance at December 31, 2010	5,391,441	$ 59,059	4,124,986	$ 63,819	3,742,882	$ 26,040	$ (22,981)	$ (163)	$ 2,896
Net income	—	—	—	—	—	—	15,537	—	15,537
Other comprehensive loss	—	—	—	—	—	—	—	(7)	(7)
Issuance of common stock from vested restricted stock units	—	—	—	—	61,974	—	—	—	—
Issuance of common stock from exercise of stock options	—	—	—	—	1,133,778	4,774	—	—	4,774
Repurchase of common stock	—	—	—	—	(739,278)	—	(6,103)	—	(6,103)
Stock-based compensation expense	—	—	—	—	—	4,825	—	—	4,825
Excess tax benefit from equity incentive plan activity	—	—	—	—	—	(199)	—	—	(199)
Special dividend	—	—	—	—	—	—	(51,003)	—	(51,003)
Balance at December 31, 2011	5,391,441	59,059	4,124,986	63,819	4,199,356	35,440	(64,550)	(170)	(29,280)
Net income	—	—	—	—	—	—	31,832	—	31,832
Other comprehensive loss	—	—	—	—	—	—	—	(25)	(25)
Issuance of common stock from vested restricted stock units	—	—	—	—	37,996	—	—	—	—
Issuance of common stock from exercise of stock options	—	—	—	—	1,429,392	5,391	—	—	5,391
Repurchase of common stock	—	—	—	—	(312,132)	—	(2,683)	—	(2,683)
Stock-based compensation expense	—	—	—	—	—	4,360	—	—	4,360
Excess tax benefit from equity incentive plan activity	—	—	—	—	—	297	—	—	297
Special dividend	—	—	—	—	—	—	(75,450)	—	(75,450)
Balance at December 31, 2012	5,391,441	59,059	4,124,986	63,819	5,354,612	45,488	(110,851)	(195)	(65,558)
Net income (unaudited)	—	—	—	—	—	—	7,140		7,140
Other comprehensive income (unaudited)	—	—	—	—	—	—	—	37	37
Issuance of common stock from vested restricted stock units (unaudited)	—	—	—	—	14,990	—	—	—	—
Issuance of common stock from exercise of stock options (unaudited)	—	—	—	—	2,645,252	6,888	—	—	6,888
Repurchase of common stock (unaudited)	—	—	—	—	(597,798)	—	(11,767)	—	(11,767)
Stock-based compensation expense (unaudited)	—	—	—	—	—	4,360	—	—	4,360
Excess tax benefit from equity incentive plan activity (unaudited)	—	—	—	—	—	14,281	—	—	14,281
Special dividend (unaudited)							(310,825)		(310,825)
Balance at September 30, 2013 (unaudited)	5,391,441	$ 59,059	4,124,986	$ 63,819	7,417,056	$ 71,017	$ (426,303)	$ (158)	$ (355,444)

See accompanying notes.

TriNet Group, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
				(unaudited)	
Operating activities:					
Net income (loss)	$ (9,602)	$ 15,537	$ 31,832	$ 22,960	$ 7,140
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	29,814	20,303	31,196	16,153	56,027
Deferred income taxes	(7,400)	3,215	7,658	756	(9,534)
Stock-based compensation	5,053	4,825	4,360	3,396	4,360
Excess tax benefit from equity incentive plan activity	(199)	199	(297)	(15)	(14,281)
Accretion of workers compensation and leases fair value adjustment	(2,306)	(1,660)	(1,371)	(873)	(958)
Changes in operating assets and liabilities:					
Restricted cash	2,211	(1,447)	6,738	3,577	(6,522)
Prepaid expenses and other current assets	(229)	694	(1,026)	(2,320)	(8,049)
Workers compensation receivables	23,674	(247)	3,776	2,420	3,624
Other assets	4,049	328	753	355	3,995
Accounts payable	(778)	(506)	(150)	(747)	1,598
Income tax payable/receivable	6,039	(4,523)	(6,273)	211	12,314
Other current liabilities	705	5,575	1,501	1,079	7,447
Other liabilities	9,096	5,413	1,564	1,053	1,968
Worksite employee related assets	11,071	(22,013)	(75,598)	(26,940)	(41,062)
Worksite employee related liabilities	235	20,879	75,591	28,532	44,013
Net cash provided by operating activities	71,433	46,572	80,254	49,597	62,080
Investing activities:					
Proceeds from sale and maturity of debt securities	—	—	1,364	—	500
Acquisitions of businesses, net of cash acquired	—	—	(225,817)	(27,525)	(193,727)
Purchase of debt securities	—	—	(28,497)	(27,499)	(7,253)
Purchase of property and equipment	(7,137)	(7,154)	(9,658)	(6,475)	(6,314)
Net cash used in investing activities	(7,137)	(7,154)	(262,608)	(61,499)	(206,794)
Financing activities:					
Borrowing under notes payable	—	723	405,000	105,000	970,000
Proceeds from issuance of common stock on exercised options	558	4,774	5,391	4,066	6,889
Excess tax benefit from equity incentive plan activity	199	(199)	297	15	14,281
Repayment of notes payable	(52,667)	(129)	(105,681)	(3,339)	(450,104)
Payments of special dividend	—	(50,880)	(75,353)	(75,323)	(310,922)
Payments of debt issuance costs	(86)	(284)	(14,001)	(3,309)	(24,611)
Repayments under capital leases	(1,978)	(1,403)	(825)	(669)	(620)
Repurchase of common stock	(2,430)	(5,815)	(350)	(350)	(11,767)
Repurchase of stock options	(87)	(113)	—	—	—
Net cash (used in) provided by financing activities	(56,491)	(53,326)	214,478	26,091	193,146
Effect of exchange rate changes on cash and cash equivalents	(12)	(7)	5	73	(20)
Net increase (decrease) in cash and cash equivalents	7,793	(13,915)	32,129	14,262	48,412
Cash and cash equivalents at beginning of year	37,742	45,535	31,620	31,620	63,749
Cash and cash equivalents at end of year	$ 45,535	$ 31,620	$ 63,749	$ 45,882	$ 112,161
Supplemental disclosures of cash flow information:					
Cash paid for interest	$ 3,052	$ 209	$ 5,355	$ 2,125	$ 18,557
Cash paid for income taxes, net of refunds	2,263	7,320	19,595	14,667	719
Supplemental schedule of non-cash investing and financing activities:					
Repurchase of common stock not paid	$ —	$ 288	$ 2,621	$ —	$ —
Receivable from purchase price reduction for a business acquisition	—	—	1,893	—	—
Special dividend payable on unvested restricted stock units	—	123	97	128	56

See accompanying notes.

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

NOTE 1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Description of Business

TriNet Group, Inc. (the Company or TriNet), a Delaware corporation incorporated in January 2000, provides a comprehensive human resources solution for small to medium-sized businesses. The Company's solution includes payroll processing, human capital consulting, employment law compliance and employee benefits, including health insurance, retirement plans and workers compensation insurance.

The Company provides its services through co-employment relationships with its customers, under which the Company and its customers each take responsibility for certain portions of the employer-employee relationship for worksite employees, or WSEs. The Company is the employer of record for most administrative and regulatory purposes, including the following: (i) compensation through wages and salaries; (ii) employer payroll-related taxes payment; (iii) employee payroll-related taxes withholding and payment; (iv) employee benefit programs including health and life insurance, and others; and (v) workers compensation coverage.

Segment Information

As a result of acquisitions, the Company had three operating segments as of September 30, 2013. Discrete financial information is available to the Company's Chief Operating Decision Maker for each operating segment, while the acquired companies are in the process of integration. The Company, together with newly acquired subsidiaries, provides services to small and medium-sized businesses in strategically selected industry vertical markets throughout North America. These three operating segments were aggregated into one operating and reportable segment in accordance with ASC 280 because they sell similar services through similar production processes to similar customers using similar distribution channels in similar regulatory environments, and the segments have similar economic characteristics. All of the Company's service revenues are generated from external customers. Less than 1% of revenues are generated outside of the United States of America (U.S.). Substantially all of the Company's long-lived assets are located in the U.S.

Basis of Presentation

The accompanying consolidated financial statements and footnotes thereto of the Company and its wholly owned subsidiaries have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). All intercompany accounts and transactions have been eliminated in consolidation.

The Company's accompanying consolidated balance sheets present the current assets and current liabilities directly related to the processing of human resources transactions as WSE-related assets and WSE-related liabilities, respectively. WSE-related assets comprise cash and investments restricted for current workers compensation claim payments, payroll funds collected, accounts receivable, unbilled service revenues, and refundable or prepaid amounts related to the Company-sponsored workers compensation and health plan programs. WSE-related liabilities comprise customer prepayments, wages and payroll taxes accrued and payable, and liabilities related to the Company-sponsored workers compensation and health plan programs resulting from workers compensation case reserves, premium amounts due to providers for enrolled employees, and workers compensation and health reserves that are expected to be disbursed within the next 12 months.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. These estimates include, but are not limited to, allowances for accounts receivable, workers compensation related

assets and liabilities, health plan assets and liabilities, recoverability of goodwill and other intangible assets, income taxes, stock-based compensation and other contingent liabilities. Such estimates are based on historical experience and on various other assumptions that Company management believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Restatement of Previously Issued Consolidated Financial Statements

The Company previously restated its consolidated financial statements presented herein to report insurance service revenues and insurance cost related to health and workers' compensation insurance on a gross basis. These amounts were previously reported on a net basis as a component of service revenues. This restatement only impacted the statements of operations, and did not impact previously reported operating income (loss) or net income (loss).

Unaudited Consolidated Interim Financial Information

The consolidated balance sheet as of September 30, 2013, the consolidated statements of operations, consolidated statements of comprehensive income (loss) and the consolidated statements of cash flows for the nine months ended September 30, 2012 and 2013 and the consolidated statement of stockholders' equity for the nine months ended September 30, 2013 are unaudited. The unaudited interim financial statements have been prepared on the same basis as the annual financial statements and, in our opinion, reflect all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation. The financial data and other information disclosed in these notes to the consolidated financial statements related to the six month periods are unaudited. The results of the nine months ended September 30, 2013 are not necessarily indicative of the results to be expected for the year ending December 31, 2013.

Unaudited Pro Forma Stockholders' Equity and Net Income Per Share Attributable to Common Stockholders

Upon the completion of the Company's initial public offering, all outstanding shares of our preferred stock will convert into an aggregate of 19,032,854 shares of common stock. The unaudited pro forma stockholders' equity data as of September 30, 2013 has been prepared assuming the conversion of the preferred stock outstanding into shares of common stock. Unaudited pro forma net income per share attributable to common stockholders for the year ended December 31, 2012 and the nine months ended September 30, 2013 has been computed to give effect to the conversion of preferred stock into common stock as though the conversion had occurred on the original dates of issuance. The conversion has no effect on net income per share attributable to common stockholders because the preferred stock is participating.

Revenue Recognition

Professional service revenues represent service fees charged to clients for co-employment services, including processing payroll and employment tax withholding; payment to WSEs; and labor and benefit law compliance based on either a fixed fee per WSE per month or per transaction, or a percentage of WSEs' payroll. Professional service revenues also include fees billed for other human resource-related services, such as talent acquisitions, performance management, and time and expense reporting services in accordance with separate written service agreements. Professional service revenues are recognized in the period the services are rendered and earned under service arrangements with clients where service fees are fixed or determinable and collectability is reasonably assured.

Insurance service revenues consist of insurance-related amounts and administrative fees collected from clients and withheld from WSEs for risk-based insurance plans provided through third-party insurance carriers,

primarily employee health benefit insurance and workers compensation insurance. Insurance service revenues are recognized in the period amounts are due and collectibility is reasonably assured.

The professional service revenues and insurance service revenues are each considered separate units of accounting and the associated fees and insurance premiums are billed as such for the majority of the Company's clients. For clients billed through a bundled invoice, the selling price of significant deliverables is determined based on the best estimate of the selling price.

The Company is not the primary obligor for payroll and payroll tax payments and therefore these payments are not reflected as either revenue or expense. The gross payroll and payroll tax payments made on behalf of the clients, combined, were $8.5 billion, $7.9 billion and $10.0 billion for the years ended December 31, 2010, 2011, and 2012, respectively, and $6.7 billion and $7.7 billion for the nine months ended September 30, 2012 and 2013, respectively.

The Company records a liability relating to work performed by WSEs but unpaid at the end of each period in the period in which the WSEs performs work, along with the related receivable for the same period. The Company generally charges an upfront non-refundable set-up fee for which the performance of such services is not a discrete earnings event, and therefore the revenue is recognized on a straight-line basis over the estimated average client tenure.

Insurance Costs

Insurance premiums paid to the insurance carriers for the health and workers compensation insurance coverage and the reimbursements paid to the insurance carriers for claim payments made to the WSEs within the insurance deductible layer are included in cost and operating expense as insurance costs.

Workers Compensation Insurance Reserves

Workers compensation insurance reserves are established to provide for the estimated costs of paying claims within the deductible layer in accordance with workers compensation insurance policies. These reserves include estimates for reported losses, plus amounts for those claims incurred but not reported, and estimates of certain expenses associated with processing and settling the claims. In establishing the workers compensation insurance reserves, the Company uses an independent actuarial estimate of undiscounted future cash payments that would be made to settle the claims.

In estimating these reserves, the Company utilizes historical loss experience, exposure data, and actuarial judgment, together with a range of inputs which are primarily based upon the WSE job responsibilities, their location, the historical frequency and severity of workers compensation claims, and an estimate of future cost trends. All of these components could materially impact the reserves as reported in the consolidated financial statements. For each reporting period, changes in the actuarial assumptions resulting from changes in actual claims experience and other trends are incorporated into the workers compensation claims cost estimates. Accordingly, final claim settlements may vary from the present estimates, particularly when those payments may not occur until well into the future.

The Company regularly reviews the adequacy of workers compensation insurance reserves. Adjustments to previously established reserves are reflected in the results of operations for the period in which the adjustment is identified. Such adjustments could possibly be significant, reflecting any variety of new and adverse or favorable trends. Any unexpected increases in the severity or frequency of claims could result in material adverse effects to the operating results.

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

The Company does not discount loss reserves accrued under these programs. Claim costs expected to be paid within one year are recorded as accrued workers compensation costs and included in short-term worksite employee related liabilities, while costs expected to be paid beyond one year are included in long-term liabilities on the consolidated balance sheets.

At policy inception, annual premiums are estimated based on projected wages over the duration of the policy period. As actual wages are realized, the amounts paid for premiums may differ from the estimates recorded by the Company, creating an asset or liability throughout the policy year. Such differences could have a material effect on the Company's consolidated financial position and results of operations.

Health Benefits

Health benefits insurance reserves are established to provide for the estimated costs of reimbursing the carriers for paying claims within the deductible layer in accordance with health insurance policies. These reserves include estimates for reported losses, plus estimates for claims incurred but not reported. Reserves are determined regularly by the Company based upon a number of factors, including but not limited to actuarial calculations, current and historical claims payment patterns, plan enrollment and medical trend rates. Ultimate health insurance reserves may vary in subsequent years from the amounts estimated. As of December 31, 2011 and 2012 and September 30, 2013, liability reserves of $3.0 million, $17.4 million, and $30.3 million, respectively, were recorded within health benefits payable and are included in WSE-related liabilities in the accompanying consolidated balance sheets.

Under certain contracts, based on plan performance the Company may be entitled to receive refunds of premiums. We estimate these refunds based on premium and claims data and record the prepaid health plan asset within worksite employee related assets on the consolidated balance sheet. As of December 31, 2011 and 2012 and September 30, 2013, the Company had $13.1 million, $36.5 million, and $2.7 million, respectively, as prepaid health plan expenses included within WSE-related assets.

Cash and Cash Equivalents

Cash and cash equivalents include bank deposits and short-term, highly liquid investments. Investments with original maturity dates of three months or less are considered cash equivalents.

Investments

The Company classifies its investments as available-for-sale. Unrealized gains and losses are reported as a component of accumulated other comprehensive income. The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts from the date of purchase to maturity or sale. Such amortization is included in interest income as an addition to or deduction from the coupon interest earned on the investments. The Company uses the specific identification method of determining the cost basis in computing realized gains and losses on the sale of its available-for-sale securities. Realized gains and losses are included in other income in the accompanying consolidated statement of operations.

The Company assesses whether an other-than-temporary impairment loss has occurred due to declines in fair value or other market conditions. With respect to debt securities, this assessment takes into account our current intent to sell, or not sell, the security, and whether it is more likely than not that we will not be required to sell the security before recovery of its amortized cost.

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

Accounts Receivable

The Company's accounts receivable, which represent outstanding gross billings to customers, are reported net of an allowance for doubtful accounts. The Company establishes an allowance for doubtful accounts based on historical experience, the age of the accounts receivable balances, credit quality of customers, current economic conditions and other factors that may affect customers' ability to pay.

Property and Equipment

The Company records property and equipment at historical cost and computes depreciation using the straight-line method over the estimated useful lives of the assets or the lease terms, generally three to five years for software and office equipment, five to seven years for furniture and fixtures, and the shorter of the asset life or the remaining lease term for leasehold improvements. The Company expenses the cost of maintenance and repairs as incurred and capitalizes betterments.

Internal Use Software

The Company capitalizes internal and external costs incurred to develop internal-use computer software during the application development stage. Application development stage costs include license fees paid to third-parties for software use, software configuration, coding, and installation. Capitalized costs are amortized on a straight-line basis over the estimated useful life, typically ranging from three to five years, commencing when the software is placed into service. The Company amortizes license fees for software use over the life of the license agreement. The Company expenses costs incurred during the preliminary project stage, as well as general and administrative, overhead, maintenance and training costs, and costs that do not add functionality to existing systems. For the nine months ended September 30, 2012 and 2013, internally developed software costs capitalized were $3.4 million and $2.8 million, respectively. For the years ended December 31, 2010, 2011 and 2012, internally developed software costs capitalized were $1.6 million, $3.4 million and $4.3 million, respectively.

Goodwill and Other Intangible Assets

The Company's goodwill and identifiable intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment on an annual basis or when an event occurs or circumstances change in a way to indicate that there has been a potential decline in the fair value of the reporting unit. Impairment is determined by comparing the estimated fair value of the reporting unit to its carrying amount, including goodwill. In 2011, the Company adopted the accounting standard that provides for performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit has declined below carrying value. This assessment considers various financial, macroeconomic, industry, and reporting unit specific qualitative factors. The Company's business is largely homogeneous and, as a result, all goodwill is associated with the Company's one reporting unit.

Intangible assets with finite useful lives include purchased customer lists, trade names, developed technologies, and contractual agreements. Intangible assets are amortized over their respective estimated useful lives ranging from two to six years using either the straight-line method or an accelerated method. Intangible assets are reviewed for indicators of impairment at least annually and evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The Company performs its annual impairment testing in its fiscal fourth quarter. Based on the results of the Company's reviews, no impairment loss was recognized in the results of operations for the years ended December 31, 2010, 2011 and 2012.

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

Impairment of Long-Lived Assets

The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset is considered impaired if the carrying amount exceeds the undiscounted future net cash flows the asset is expected to generate. An impairment charge is recognized for the amount by which the carrying amount of the assets exceeds its fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less selling costs.

Advertising Costs

The Company expenses the costs of producing advertisements at the time production occurs and expenses the cost of running advertisements in the period in which the advertising space or airtime is used as sales and marketing expense. Advertising costs were $5.1 million and $5.5 million for the nine months ended September 30, 2012 and 2013, respectively. Advertising costs were $5.2 million, $4.2 million and $6.4 million for the years ended December 31, 2010, 2011 and 2012, respectively.

Stock-Based Compensation

The Company has issued two types of stock-based awards to employees: restricted stock units and stock options. Compensation expense associated with restricted stock units is based on the fair value of common stock on the date of grant. Compensation expense associated with stock options is based on the estimated grant date fair value method using the Black-Scholes valuation model. Expense is recognized using a straight-line amortization method over the respective vesting period for awards that are ultimately expected to vest. Accordingly, stock-based compensation has been reduced for estimated forfeitures. When estimating forfeitures, the Company considers voluntary termination behaviors as well as trends of actual option forfeitures. A tax benefit from stock-based compensation is recognized in equity to the extent that an incremental tax benefit is realized.

Income Taxes

The Company recognizes deferred tax assets and liabilities for estimated future tax effects based on differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes under current tax laws. Deferred tax expense results from the change in the net liability for deferred income taxes between periods.

The Company maintains a reserve for uncertain tax positions. The Company evaluates tax positions taken or expected to be taken in a tax return for recognition in its consolidated financial statements. Prior to recording the related tax benefit in the consolidated financial statements, the Company must conclude that tax positions are more likely than not to be sustained, assuming those positions will be examined by taxing authorities with full knowledge of all relevant information. The benefit recognized in the consolidated financial statements is the amount the Company expects to realize after examination by taxing authorities. If a tax position drops below the more likely than not standard, the benefit can no longer be recognized. Assumptions, judgment and the use of estimates are required in determining if the more likely than not standard has been met when developing the provision for income taxes and in determining the expected benefit. A change in the assessment of the more likely than not standard could materially impact the Company’s results of operations or financial position. The Company recognizes interest and penalties related to uncertain tax positions as a component of income tax expense.

Derivative Financial Instruments

The Company records derivative financial instruments as either assets or liabilities in its consolidated balance sheets measured at fair value. Changes in the fair value of derivatives are reported in earnings or as a

separate component of other comprehensive income, depending on the use of the derivative and whether it qualifies for hedge accounting. Gains and losses associated with changes in the fair value of derivatives and the effect on the consolidated financial statements depend on its hedge designation and whether the hedge is highly effective in achieving offsetting changes in the fair value or cash flow of the asset or liability hedged. The method used for assessing the effectiveness of a hedging derivative, as well as the measurement approach for determining the ineffective portion of the hedge, is established at the inception of the hedge. The effective portion of the designated derivatives' gain or loss is initially reported as a component of accumulated other comprehensive income and is subsequently reclassified into the financial statement line item in which the hedged item is recorded and in the same period the forecasted transaction affects earnings. The Company's derivative program is not designed or operated for trading or speculative purposes.

In 2012, the Company purchased interest rate cap contracts that qualify as cash flow hedges to reduce the volatility of cash flows related primarily to forecasted interest payments on its credit facility. The derivative asset is included within deferred loan costs and other assets on the consolidated balance sheets. In the event the hedge relationship is no longer considered effective, the changes in fair value of the derivative will be reclassified and reported in the consolidated statement of operations. See Note 8 for additional information related to interest rate cap contracts.

Concentrations of Credit Risk

Financial instruments that subject the Company to concentrations of credit risk include cash and cash equivalents, investments, restricted cash and restricted investments (including payroll funds collected), accounts receivable, and amounts due from insurance carriers. The Company maintains its cash and cash equivalents, investments, restricted cash and restricted investments (including payroll funds collected) principally in domestic financial institutions and performs periodic evaluations of the relative credit standing of these institutions. The Company's exposure to credit risk in the event of default by the financial institutions holding these funds is limited to amounts currently held by the institution in excess of insured amounts.

Under the terms of professional services agreements, customers agree to maintain sufficient funds or other satisfactory credit at all times to cover the cost of its current payroll, all accrued paid time off, vacation or sick leave balances, and other vested wage and benefit obligations for all their work site employees. The Company generally requires payment from its customers on or before the applicable payroll date.

For certain customers, the Company requires an indemnity guarantee payment (IGP) supported by a letter of credit, bond, or a certificate of deposit from certain financial institutions. The IGP typically equals the total payroll and service fee for one average payroll period.

As of September 30, 2013, one customer accounted for 16% of accounts receivable and one customer accounted for 14% of accounts receivable. As of December 31, 2012, one customer accounted for 12% of accounts receivable. As of December 31, 2011, no customer accounted for more than 10% of accounts receivable. No customer accounted for more than 10% of service revenues in the years ended December 31, 2010, 2011 or 2012 or the nine months ended September 30, 2012 or September 30, 2013. Bad debt expense, net of recoveries was $1.4 million, $0.5 million, and $0.4 million for the years ended December 31, 2010, 2011 and 2012, respectively, and $0.2 million and $0.3 million for the nine months ended September 30, 2012 and 2013.

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

Recent Accounting Pronouncements

In February 2013, the FASB issued ASU 2013-02— *Comprehensive Income* . The guidance does not change the current requirements for reporting net income or other comprehensive income in financial statements. However, the amendments require an entity to provide information about the amounts reclassified from accumulated other comprehensive income to net income by component. This standard is effective prospectively for reporting periods beginning after December 15, 2012 and December 15, 2013 for public and nonpublic entities, respectively. Early adoption is permitted. The Company adopted this guidance in 2013. There were no material reclassifications made from accumulated other comprehensive income to net income during the nine months ended September 30, 2013.

In July 2013, the FASB issued ASU 2013-11— *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* , which requires that an unrecognized tax benefit, or portion of an unrecognized tax benefit, be presented as a reduction of a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. If an applicable deferred tax asset is not available or a company does not expect to use the applicable deferred tax asset, the unrecognized tax benefit should be presented as a liability in the financial statements and should not be combined with an unrelated deferred tax asset. ASU 2013-11 is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2013. The amendments should be applied prospectively to all unrecognized tax benefits that exist at the effective date, however retrospective application is permitted. The Company does not expect this guidance to have a material effect on its consolidated financial statements. The Company will adopt this guidance in 2014.

NOTE 2. WORKSITE EMPLOYEE-RELATED ASSETS AND LIABILITIES

The following schedule presents the components of the Company's WSE-related assets and WSE-related liabilities (in thousands):

	December 31,		September 30,
	2011	2012	2013
Restricted cash	$ 44,828	$ 25,186	$ 21,461
Restricted investment	2,311	2,315	2,316
Payroll funds collected	44,771	137,618	207,719
Unbilled service revenues, net of advance collection of $7,107, $18,077 and $26,962 at December 31, 2011, December 31, 2012 and September 30, 2013, respectively	65,195	172,951	219,872
Accounts receivable, net of allowance for doubtful accounts of $221, $819 and $136 at December 31, 2011, December 31, 2012 and September 30, 2013, respectively	2,911	5,931	5,731
Prepaid health plan expenses	13,063	36,505	2,697
Refundable health plan premiums	4,644	17,331	28,175
Refundable workers compensation premiums	7,559	9,412	19,306
Prepaid workers compensation expenses	1,180	1,401	1,698
Other payroll assets	2,474	2,212	126
Total worksite employee related assets	$188,936	$410,862	$ 509,101

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

	December 31,		September 30,
	2011	2012	2013
Unbilled wages accrual	$ 69,000	$179,357	$ 238,769
Payroll taxes payable	75,011	130,684	132,460
Health benefits payable	13,228	34,477	42,041
Customer prepayments	5,521	16,866	33,663
Workers compensation payable	15,372	15,264	27,863
Other payroll deductions	7,587	22,853	25,896
Total worksite employee related liabilities	$185,719	$399,501	$ 500,692

NOTE 3. WORKERS COMPENSATION

The Company has fully insured workers compensation agreements with various carriers to provide workers compensation insurance coverage for employees. Insurance carriers are responsible for administrating and paying claims. The Company is responsible to reimburse carrier up to a deductible limit per occurrence.

The following summarizes the activities in liability for unpaid claims and claims adjustment expenses (in thousands):

	Year Ended December 31,			Nine Months Ended September 30,
	2010	2011	2012	2013
Liability for unpaid claims and claims adjustment expenses at beginning of period	$ 17,121	$ 33,877	$ 42,732	$ 53,900
Plans acquired through business combinations	—	—	7,971	481
Incurred related to:				
Current year	28,817	24,353	23,230	19,758
Prior years	1,638	2,146	(3,344)	(2,415)
Total incurred	30,455	26,499	19,886	17,343
Paid related to:				
Current year	(12,615)	(9,338)	(6,778)	(4,775)
Prior years	(1,084)	(8,306)	(9,911)	(8,431)
Total paid	(13,699)	(17,644)	(16,689)	(13,206)
Liability for unpaid claims and claims adjustment expenses at end of period	33,877	42,732	53,900	58,518
Other liabilities	1,263	177	691	12,263
Total workers compensation liabilities at end of period	$ 35,140	$ 42,909	$ 54,591	$ 70,781

Under the terms of the reinsurance agreement with its workers compensation insurance carriers, the Company collects and holds premiums in restricted accounts pending claims payments by the claims administrator. As of December 31, 2011, December 31, 2012 and September 30, 2013, such restricted amounts of $47.1 million, $27.5 million and $22.2 million, respectively, are presented as restricted cash and restricted

investment within WSE-related assets in the accompanying consolidated balance sheets. In addition, at December 31, 2012 and September 30, 2013, $29.9 million and $36.5 million are presented as long-term investments.

NOTE 4. BUSINESS COMBINATION

The purchase price for each business combination is allocated to tangible and identifiable intangible assets acquired and liabilities assumed based on the fair value at the date of purchase. Purchase price in excess of the identifiable assets and liabilities is recorded as goodwill. All acquisition-related costs are expensed as incurred and recorded in operating expenses. The Company includes operations associated with acquisitions from the date of acquisition.

Ambrose Employer Group, LLC (Ambrose)

On July 1, 2013 (the acquisition date), the Company acquired 100% of the outstanding equity of Ambrose Employer Group, LLC (Ambrose). The estimated acquisition date fair value of the consideration transferred totaled $195.8 million, which consisted of the following (in thousands):

Cash paid to equity holders	$200,000
Cash and cash equivalents acquired	(6,273)
Total	$193,727

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the acquisition date (in thousands):

Restricted cash	$ 442
WSE-related assets	57,366
Prepaid expenses and other current assets	893
Goodwill	97,647
Identifiable intangible assets	94,380
Property and equipment	1,358
Other noncurrent assets	878
WSE-related liabilities	(53,115)
Accounts payable and accrued liabilities	(5,646)
Deferred rent	(126)
Other long term liabilities	(350)
Consideration transferred	$193,727

The goodwill of $97.6 million is primarily attributable to the synergies and economies of scale expected from the acquisition of Ambrose. Because the Company acquired a 100% interest in Ambrose, a partnership, the Company received a stepped-up tax basis in the fair market value of the assets. Therefore, the goodwill is deductible for income tax purposes. The estimated fair value of the acquired identifiable other intangible assets of $94.4 million consisted of customer contracts, trademarks and non-compete agreements valued at $90.4 million, $2.6 million and $1.4 million, respectively. The aggregate purchase price is subject to further adjustment based on the finalization of working capital.

The Company recognized $0.4 million of acquisition-related costs for the Ambrose acquisition within general and administrative expenses in the accompanying consolidated statements of operations.

Ambrose contributed revenues of $10.9 million and minimal net income to the Company from July 1, 2013 to September 30, 2013.

SOI Holdings, Inc. (SOI)

On October 24, 2012 (the acquisition date), the Company acquired 100% of the outstanding equity of SOI Holdings, Inc. (SOI), the parent company of Strategic Outsourcing, Inc. The estimated acquisition date fair value of the consideration transferred totaled $195.8 million, which consisted of the following (in thousands):

Cash paid to equity holders	$198,171
Receivable from equity holders	(1,893)
Cash and cash equivalents acquired	(504)
Total	$195,774

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the acquisition date (in thousands):

Restricted cash	$ 700
WSE-related assets	122,135
Prepaid expenses and other current assets	600
Goodwill	164,616
Identifiable intangible assets	81,500
Property and equipment	8,941
Other noncurrent assets	464
WSE-related liabilities	(115,902)
Accrued corporate wages	(2,611)
Deferred income taxes	(17,386)
Current portion of notes payable and borrowings under capital leases	(579)
Other current liabilities	(3,841)
Other noncurrent liabilities	(42,863)
Consideration transferred	$ 195,774

The goodwill of $164.6 million is primarily attributable to the synergies and economies of scale expected from the acquisition of SOI. None of the goodwill recognized is expected to be deductible for income tax purposes. The estimated fair value of the acquired identifiable other intangible assets of $81.5 million consisted of customer contracts and trademarks valued at $68.0 million and $13.5 million, respectively. The Company recorded $31.3 million in deferred tax liabilities associated with the identifiable intangible assets. During the nine months ended September 30, 2013, an adjustment to goodwill of $3.8 million was recorded, reducing the SOI goodwill balance to $160.8 million as a result of finalizing provisional income tax amounts.

The Company recognized $0.6 million of acquisition-related costs for the SOI acquisition within general and administrative expenses in the accompanying consolidated statements of operations.

SOI contributed revenues of $17.2 million and a net loss of $1.4 million to the Company from October 24, 2012 to December 31, 2012.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

210 Park Avenue Holding, Inc. (Accord)

On April 26, 2012, the Company acquired 100% of the stock of 210 Park Avenue Holding, Inc. (Accord), an Oklahoma-based professional employer organization, for total consideration of $25.5 million, net of cash and cash equivalents acquired of $2.1 million. The acquisition of Accord resulted in approximately $17.0 million of goodwill, which is not deductible for tax purposes. The goodwill of $17.0 million is primarily attributable to the synergies and economies of scale expected from the acquisition of Accord. During the nine months ended September 30, 2013, an adjustment to goodwill of $0.1 million was recorded, reducing the Accord goodwill balance to $16.9 million as a result of finalizing provisional income tax amounts. Identifiable intangible assets acquired, which totaled approximately $13.8 million, consist of customer list, trademarks and non-compete agreements. For the year ended December 31, 2012, the Company recognized $1.0 million of acquisition-related costs within general and administrative expenses in the accompanying consolidated statements of operations.

App7, Inc. (ExpenseCloud)

On May 3, 2012, the Company acquired 100% of the stock of App7, Inc. (ExpenseCloud), an expense management solution company, for total consideration of $2.7 million, net of cash. The purchase price includes $1.3 million in contingent payments expected to be paid within the next 12 months from the date of acquisition. The Company made $1.2 million of contingent payments during 2012. The acquisition of ExpenseCloud resulted in approximately $2.0 million of goodwill, which is not deductible for tax purposes. During the nine months ended September 30, 2013, an adjustment to goodwill of $0.2 million was recorded, reducing the ExpenseCloud goodwill balance to $1.8 million as a result of finalizing provisional income tax amounts. Identifiable intangible assets acquired, which totaled approximately $1.2 million, consist of developed technology and non-compete agreements. Acquisition-related costs are recognized within general and administrative expenses in the accompanying consolidated statements of operations.

The 2012 acquisitions reflect the Company’s continued business strategy to diversify and expand its customer base as well as to expand its human resources services and solutions available to the Company’s current and target clients. Operating results of SOI, Accord and ExpenseCloud have been combined with TriNet’s operating results from the respective dates of acquisition.

Pro forma combined operating results for the years ended December 31, 2011 and 2012 exclude Accord and ExpenseCloud because the results of operations of those businesses were not material. The acquired businesses contributed revenues of $27.7 million and a net loss of $3.2 million to the Company from April 26, 2012 to December 31, 2012.

The Company made no acquisitions during 2011 or 2010.

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

Pro Forma Financial Information

The following unaudited pro forma financial information presents the combined results of TriNet, SOI and Ambrose for the year ended December 31, 2012 and of TriNet and SOI for the year ended December 31, 2011 as if the SOI and Ambrose acquisition had occurred as of the beginning of 2011 and 2012, respectively, by applying certain adjustments, principally adding acquisition financing costs and the amortization of acquired intangible assets and removing acquisition-related transaction expenses and SOI historical debt costs (in thousands):

	Year Ended December 31,	
	2011	2012
Total revenues	$ 1,055,228	$ 1,424,876
Net income (loss)	(3,669)	16,374

This pro forma information is based on estimates and assumptions, which Company management believes are reasonable, and is not necessarily indicative of the results of operations in future periods or the results that actually would have been realized had TriNet and SOI been a combined company during the specified periods.

NOTE 5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consist of the following (in thousands):

	December 31,		
	2011	2012	September 30, 2013
Software	$ 42,806	$ 33,782	$ 37,479
Office equipment, including data processing equipment	15,347	15,968	19,807
Leasehold improvements	4,599	5,850	6,805
Furniture, fixtures, and equipment	2,556	4,363	5,304
Projects in progress	3,273	3,801	3,644
	68,581	63,764	73,039
Accumulated depreciation	(51,173)	(39,404)	(49,627)
Property and equipment, net	$ 17,408	$ 24,360	$ 23,412

Software and furniture, fixtures, and equipment include amounts for assets under capital leases of $5.6 million, $3.0 million and $2.1 million at December 31, 2011, December 31, 2012 and September 30, 2013, respectively. Accumulated depreciation of these assets was $4.3 million, $1.4 million and $1.0 million at December 31, 2011, December 31, 2012 and September 30, 2013, respectively. Amortization of assets held under capital leases is included with depreciation expense in the accompanying consolidated statements of operations.

Projects in progress consist primarily of software development costs. The Company capitalizes software development costs intended for internal use. The Company periodically assesses the likelihood of unsuccessful completion of projects in progress, as well as monitoring events or changes in circumstances, which might suggest that impairment has occurred and recoverability should be evaluated. An impairment loss is recognized if the carrying amount of the asset is not recoverable and exceeds the future net cash flows expected to be generated by the asset. Due to significant changes in the extent and manner in which assets were expected to be used, the Company recognized losses of $2.8 million and $0.4 million for the nine months ended September 30, 2012 and 2013, respectively, and $0.9 million, $0.4 million and $2.8 million for the years ended December 31, 2010, 2011

and 2012, respectively, on certain internally developed software and included these charges in depreciation expense in the accompanying consolidated statements of operations.

NOTE 6. GOODWILL AND OTHER INTANGIBLE ASSETS

The following schedule summarizes goodwill and other intangible assets (in thousands):

	December 31, 2011			
	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Goodwill	—	$ 12,363	$ —	$ 12,363
Amortizable intangibles:				
Customer contracts	5 years	44,530	(32,907)	11,623
Trademark	3 years	3,125	(2,858)	267
Noncompete agreements	2 years	10,602	(10,602)	—
	4 years	58,257	(46,367)	11,890
Total		$ 70,620	$ (46,367)	$ 24,253

	December 31, 2012			
	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Goodwill	—	$ 195,966	$ —	$ 195,966
Amortizable intangibles:				
Customer contracts	3-5 years	119,450	(43,079)	76,371
Trademark	3 years	14,300	(929)	13,371
Developed technology	5 years	1,000	(133)	867
Noncompete agreements	2-3 years	560	(160)	400
	4 years	135,310	(44,301)	91,009
Total		$ 331,276	$ (44,301)	$ 286,975

	September 30, 2013			
	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Goodwill	—	$ 289,463	$ —	$ 289,463
Amortizable intangibles:				
Customer contracts	3-5 years	209,850	(74,769)	135,081
Trademark	3 years	16,900	(4,719)	12,181
Developed technology	5 years	1,000	(283)	717
Noncompete agreements	2-3 years	1,940	(456)	1,484
	4 years	229,690	(80,227)	149,463
Total		$ 519,153	$ (80,227)	$ 438,926

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

Amortization expense related to amortizable intangibles in future periods is expected to be as follows (in thousands):

Year ending December 31 (unaudited):	
2013	$ 15,443
2014	52,304
2015	38,905
2016	18,375
2017 and thereafter	24,437
Total	$149,464

NOTE 7. MARKETABLE SECURITIES AND FAIR VALUE MEASUREMENTS

The Company's available-for-sale marketable securities consist of the following (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
December 31, 2012:				
U.S. treasuries	$ 29,371	$ 50	$ —	$ 29,421
Mutual funds	500	8	—	508
Total investments	$ 29,871	$ 58	$ —	$ 29,929
September 30, 2013 (unaudited):				
U.S. treasuries	$ 35,964	$ 42	$ (20)	$ 35,986
Mutual funds	500	7	—	507
Total investments	$ 36,464	$ 49	$ (20)	$ 36,493

For the year ended December 31, 2012, $0.03 million in realized gains were recognized. There were no realized gains for the nine months ended September 30, 2013. As of December 31, 2012 and September 30, 2013, the contractual maturities of the U.S. treasuries were two to three years. There were no investments in marketable securities as of December 31, 2011.

As of September 30, 2013, five of the Company's U.S. treasuries were in unrealized loss position for a period of less than 12 months. The unrealized losses with aggregate amortization represented (0.1) % from the Company's amortized cost basis. These unrealized losses are principally due to changes in interest rates and credit spreads. In analyzing an issuer's financial condition, the Company considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and industry analysts' reports. The fair value of these securities represented 23% of the total fair value of all securities available for sale and their unrealized loss was $0.02 million as of September 30, 2013. As the Company has the ability to hold debt securities until maturity, or for the foreseeable future as classified as available for sale, no decline was deemed to be other-than-temporary.

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

As a basis for considering such assumptions, the Company uses a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level I—observable inputs such as quoted prices in active markets
- Level II—inputs other than the quoted prices in active markets that are observable either directly or indirectly
- Level III—unobservable inputs in which there is little or no market data, which requires the Company to develop its own assumptions

This hierarchy requires the Company to use observable market data when available and to minimize the use of unobservable inputs when determining fair value. On a recurring basis, the Company measures its financial assets at fair value.

The following table summarizes the Company's financial assets measured at fair value on a recurring basis (in thousands):

	Total Fair Value	Level I	Level II	Level III
Assets:				
December 31, 2011:				
Certificate of deposit	$ 2,311	$ 2,311	$ —	$ —
Total	$ 2,311	$ 2,311	$ —	$ —
December 31, 2012:				
Certificate of deposit	$ 2,315	$ 2,315	$ —	$ —
U.S. treasuries	29,421	29,421	—	—
Mutual funds	508	508	—	—
Interest rate cap (see also Note 8)	138	—	138	—
Total	$ 32,382	$32,244	$ 138	$ —
September 30, 2013 (unaudited):				
Certificates of deposit	$ 2,858	$ 2,858	$ —	$ —
U.S. treasuries	35,986	35,986	—	—
Mutual funds	507	507	—	—
Interest rate cap (see also Note 8)	87	—	87	—
Total	$ 39,438	$39,351	$ 87	$ —

There were no transfers between Level I and Level II assets for the years ended December 31, 2011 or December 31, 2012 or the nine months ended September 30, 2013.

As of December 31, 2011, December 31, 2012 and September 30, 2013, certificate of deposit consisted of certificates of deposit held by domestic financial institutions, of which $2.3 million are presented as restricted investments within WSE-related assets and $0.5 million are presented as noncurrent restricted investments available for sale in the accompanying consolidated balance sheets.

The book value of the Company's financial instruments not measured at fair value, including cash, restricted cash, WSE-related assets and liabilities, line of credit and accrued corporate wages approximates fair value due to the relatively short maturity, cash repayments or market interest rates of such instruments. The fair value of

such financial instruments are determined using the income approach based on the present value of estimated future cash flows. The fair value of all of these instruments would be categorized as Level 2 of the fair value hierarchy, with the exception of cash and cash equivalents which would be categorized as Level 1.

At December 31, 2012 and September 30, 2013, the carrying value of our notes payable of $300.0 million and $820.0 million, respectively, approximated fair value. The estimate fair values of our notes payable are considered a level 2 valuation in the hierarchy for fair value measurement and are based on a cash flow model discounted at market interest rates that considers the underlying risks of unsecured debt.

NOTE 8. NOTES PAYABLE AND BORROWINGS UNDER CAPITAL LEASES

The following schedule summarizes the components of the Company's notes payable and borrowings under capital leases balances (in thousands):

	December 31,		September 30,
	2011	2012	2013
Notes payable under credit facility	$ —	$300,000	$ 820,000
Capital leases and other notes payable	1,683	1,334	610
Less current portion	(1,423)	(9,803)	(6,714)
	$ 260	$291,531	$ 813,896

2011 Credit Facility

In June 2011, the Company obtained a revolving credit facility of $35.0 million, which was subsequently terminated in June 2012. The Company recorded loan fees of $0.3 million. The remaining balance of the loan fees was fully amortized in June 2012 upon termination.

2012 Credit Facility

In March 2012, TriNet Group, Inc., as guarantor, its subsidiary TriNet HR Corporation, as borrower, and certain other TriNet subsidiaries as subsidiary guarantors, which are referred to collectively as the loan parties, entered into a credit facility totaling $140.0 million, which we refer to as our initial credit facility. The initial credit facility provided for a five-year term loan facility of $105.0 million and a five-year revolving credit facility of $35.0 million. The $105.0 million term loan was fully drawn in March 2012, but no amounts were drawn under the revolving credit facility. In connection with the initial credit facility, the Company recorded loan fees of $3.1 million, which were fully amortized in October 2012.

In October 2012, the Company completed an amendment and restatement of its credit facility totaling $350.0 million, which provided for two new tranches of term loans totaling $300.0 million and a five-year revolving credit facility of $50.0 million, which we refer to as our amended and restated credit facility. The term loans consisted of a five-year term A loan of $150.0 million and a six-year term B loan of $150.0 million, both of which were fully drawn in October 2012. In April 2013, the Company amended the amended and restated credit facility to provide for an additional $50.0 million of term A loans, $100.0 million of term B loans and $25.0 million of availability under the revolving credit facility. The amended and restated credit facility, as amended in April 2013, is referred to herein as the previous credit facility; the term A loans under the amended and restated credit facility, as amended in April 2013, are collectively referred to as the term A loan; and the term B loans under the amended and restated credit facility, as amended in April 2013, are collectively referred to as the term B loan. The Company

recorded loan fees of $10.8 million associated with the amended and restated credit facility and $2.6 million associated with the previous credit facility. The remaining balance of the loan fees was fully amortized in August 2013 upon termination.

2013 Credit Facility

In August 2013, the Company, as guarantor, its subsidiary TriNet HR Corporation, as borrower, and certain of its other subsidiaries as subsidiary guarantors entered into two senior secured credit facilities:

- a $705.0 million first lien credit facility with JPMorgan Chase Bank, N.A., as administrative agent; and
- a $190.0 million second lien credit facility with Wilmington Trust, National Association, as administrative agent.

The credit facilities are secured by substantially all of the Company's assets and the assets of the borrower and of the subsidiary guarantors, other than specifically excluded assets.

The first lien credit facility provides for a five-year revolving credit facility of $75.0 million, three-year first lien tranche B-1 term loan of $175.0 million and seven-year first lien tranche B-2 term loan of $455.0 million. A second lien credit facility provides for seven-year-and-six-month term loan of $190.0 million. All first lien and second lien term loans were fully drawn in August 2013. The $75.0 million revolving credit facility includes capacity for a $30.0 million letter of credit facility and a $10.0 million swingline facility. The total unused portion of the revolving credit facility was $52.2 million as of September 30, 2013, since $22.8 million of the facility was used to backstop letters of credit outstanding in a previous credit facility. The proceeds of the first and second lien credit facilities were used to repay approximately $448.3 million of indebtedness outstanding under the Company's previous credit facility, declare a special dividend, provide cash collateral to guarantee a letter of credit and pay transaction costs. In connection with the credit facilities, the Company incurred $23.1 million of debt issuance costs.

Borrowings under our credit facilities bear interest, at our option at a rate based on the LIBOR or based on the prime rate plus, in each case, an applicable margin. LIBOR loans under the tranche B-2 term loan and the second lien credit facility are subject to a 1.00% LIBOR floor. The applicable margin with respect to our tranche B-1 term loan is equal to (i) 3.75% per annum for LIBOR loans and (ii) 2.75% per annum for prime rate loans. The applicable margin with respect to our tranche B-2 term loan is equal to (x) at such times as any indebtedness is outstanding under our second lien credit facility (i) 4.00% per annum for LIBOR loans, and (ii) 3.00% per annum for prime rate loans, and (y) at such times as no indebtedness is outstanding under our second lien credit facility (i) 3.75% per annum for LIBOR loans, and (ii) 2.75% per annum for prime rate loans. The applicable margin with respect to our second lien term loans is equal to (i) 7.75% per annum for LIBOR loans and (ii) 6.75% per annum for prime rate loans. The applicable margin with respect to our revolving credit facility is subject to adjustment based on our first lien leverage ratio. The tranche B-1 term loan has a maturity date of August 20, 2016, the tranche B-2 term loan has a maturity date of August 20, 2020 and the second lien term loan has a maturity date of February 20, 2021 and the revolving credit facility has a maturity date of August 20, 2018.

The credit facilities contain customary representations and warranties and customary affirmative and negative covenants applicable to us and our subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness, and dividends and other distributions. Under the revolving credit facility, so long as there are any outstanding revolving loans and/

or outstanding letters of credit in excess of $15.0 million, we are required to comply with a financial covenant that requires us and our subsidiaries to maintain a maximum first lien leverage ratio so long as there is any indebtedness outstanding under the revolving credit facility (excluding letters of credit issued and outstanding up to $22.8 million other than letters of credit that have been cash collateralized). The Company was in compliance with the restrictive covenants under the previous credit facility at December 31, 2012 and under the credit facilities at September 30, 2013.

While no amounts were drawn under the revolving credit facility as of September 30, 2013, there were outstanding letters of credit totaling $15 million as of September 30, 2013, which reduced borrowings available under the revolving credit facility. As of December 31, 2012 and September 30, 2013, the fair value of financing obligations under our credit facility approximates its book value.

As a result of the Company's credit facility, it is exposed to changes in interest rates. To mitigate such risk, the Company entered into an interest rate cap arrangement with a bank in May 2012, which we refer to as the May 2012 cap, to protect the interest payment cash flows through March 30, 2015 on the initial credit facility from adverse market interest changes due to fluctuations in the 3-month LIBOR benchmark interest rate with an initial notional amount of $51.8 million and final notional amount of $42.0 million at a strike price of 2%. Upon the amendment and restatement of the Company's initial credit facility, the May 2012 cap was re-designated to hedge a portion of the amended and restated credit facility and subsequently the credit facility. In December 2012, the Company entered into an interest rate cap arrangement with another bank, which is referred to as the December 2012 cap, to hedge the interest payment cash flows of 50% of the incremental total loan balance through October 24, 2015. The December 2012 cap has an initial notional amount of $99.5 million and final notional amount of $137.6 million at a strike price of 2%. At inception, the interest rate caps were determined to be perfectly effective and were designated as a cash flow hedge for accounting purposes. However, with the credit facility as discussed above, the interest rate basis and timing of payments have changed and no longer match the terms of the May 2012 and December 2012 caps. As a result, the interest rate caps were no longer considered perfectly effective, thus, the change in its fair value is charged to operations. In addition, $0.1 million of previously reported in unrealized (losses) gains on interest rate cap in the consolidated statements of other comprehensive income (loss) were reversed and charged to operations as a result of the dedesignation.

Other Notes Payable

In July 2010, the Company entered into a $0.2 million noninterest-bearing note to purchase software, due in three annual installments of $0.1 million beginning in July 2010. The Company recorded the note at a discounted value of $0.2 million based on an imputed interest rate of 5.6%. The note was fully repaid in July 2012.

In August 2011, the Company entered into a $0.7 million noninterest-bearing note to purchase software, due in four installments beginning in August 2011. The Company recorded the note at a discounted value of $0.7 million based on an imputed interest rate of 4.5%. The note was fully repaid in July 2012.

NOTE 9. CONVERTIBLE PREFERRED STOCK

On June 7, 2005, the Company issued 5,391,441 shares of Series G convertible preferred stock (Series G) at $11.00 per share for an aggregate cash purchase price of $59.3 million. The Company recorded the issuance of Series G at $59.1 million, net of issuance costs of $0.2 million. On June 1, 2009, the Company issued 4,124,986 shares of Series H convertible preferred stock (Series H) at $16.69 per share for an aggregate cash purchase price of $68.8 million. The Company recorded the issuance of Series H at $63.8 million, net of issuance costs of $5.0 million. Upon the issuance of Series H, certain terms related to Series G were amended.

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

Upon the occurrence of a liquidation or sale of the Company, the distribution of the Company's assets is first paid to the holders of the Series H, then to the holders of Series G, before any distribution is made to the holders of shares of common stock. Distribution to the holders of Series H would be in an amount equal to the greater of $16.69 per share, plus unpaid dividends, or the aggregate amount payable with respect to the number of shares of common stock into which the shares of Series H would be convertible. Distribution to the holders of Series G would be in an amount equal to the greater of $11.00 per share, plus unpaid dividends, or the aggregate amount payable with respect to the number of shares of common stock into which the shares of Series G would be convertible. If however, the liquidation payment would result in the holders of Series G receiving greater than 80% of the remaining assets available for distribution, then the payment would be reduced to 80% of the remaining assets available for distribution.

At any time, the holders of a majority of the outstanding shares of Series H and Series G may require shares of Series H and Series G to be converted into common stock. As a result of the stock split described in Note 14 below, each share of Series H and Series G is currently convertible into two shares of common stock. Each Series H and Series G share is convertible into a number of shares of common stock equal to the Series H Liquidation Payment and Series G Liquidation Payment divided by the then-effective conversion price (currently $8.35 and $5.50, respectively), subject to antidilution adjustments and adjustments for subsequent stock splits, stock dividends, combinations or other recapitalizations. The holders of Series H and Series G have voting rights similar to those of common stockholders, with each share entitling the holder to cast the number of votes they would have if they were to convert their preferred shares into common shares. The holders of Series G combined with the holders of Series H have the right to elect four members to the Company's Board of Directors.

The holders of Series H and Series G have a redemption option if they own less than a majority of the voting stock of the Company on June 1, 2014. The redemption option is available for 90 days and can be exercised by a majority of the holders of Series H and Series G. The redemption option for Series H and Series G is equal to $16.69 and $11.00 per share, respectively, plus unpaid dividends. Redemption would not be allowed if it were to cause the Company to have a negative working capital balance. As of September 30, 2013, redemption value accretion has not been recognized as the probability of redemption is deemed remote. Series H and Series G stockholders are not entitled to receive dividends if dividends are declared and paid on common stock, Series H and Series G stockholders shall be entitled to share in dividends on a pro rata basis upon redemption as if their shares had been converted into shares of common stock.

NOTE 10: STOCKHOLDERS' EQUITY

Equity-Based Incentive Plans

In 2000, the Company established the 2000 Equity Incentive Plan (the 2000 Plan), which provided for granting incentive stock options, nonstatutory stock options, bonus awards and restricted stock awards to eligible employees, directors, and consultants of the Company. In December 2009, the Board of Directors approved the 2009 Equity Incentive Plan (the 2009 Plan) as the successor to and continuation of the 2000 Plan. As of the 2009 Plan effective date, remaining shares available for issuance under the 2000 Plan were cancelled and became available for issuance under the 2009 Plan. No additional stock awards will be granted under the 2000 Plan. The 2009 Plan provides for the grant of the following awards to eligible employees, directors, and consultants: incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance stock awards, performance cash awards, and other stock awards. Incentive stock options may only be granted to employees. Nonemployee directors are eligible to receive nonstatutory stock options automatically at designated intervals over their period of continuous service on the Board. In February 2013, the Board approved an amendment to the 2009 Equity Plan authorizing an additional 2,337,800 shares available for grant.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

The exercise price per share of all incentive stock options granted under the 2000 Plan and the 2009 Plan must be at least equal to the fair market value of the shares at the date of grant as determined by the Board of Directors. Options issued to recipients other than nonemployee directors generally vest over four years with a one year cliff and monthly thereafter, and have a maximum contractual term of 10 years. Options issued to members of the Board of Directors are issued with varying vesting schedules. Incentive stock options granted at 110% of the fair market value to stockholders who have greater than 10% ownership have a maximum term of five years.

The Company also has granted restricted stock units to members of the Board of Directors. These restricted stock units represent rights to receive shares of the Company's common stock on satisfaction of applicable vesting conditions. The fair value of restricted stock units is equal to the fair value of the Company's common stock on the date of grant and generally vest at rates of 25% or 33% at the end of the first year and then pro rata monthly thereafter over the remaining vesting term of three or two years.

Stock plan activity under the 2000 Plan and the 2009 Plan is summarized as follows:

	Shares Available for Grant
Balance at December 31, 2011	1,504,750
Authorized	—
Granted	(1,513,584)
Forfeited	150,226
Expired	92,006
Balance at December 31, 2012	233,398
Authorized	2,337,800
Granted	(1,791,700)
Forfeited	191,116
Expired	68,840
Balance at September 30, 2013	1,039,454

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(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

The following table summarizes stock option activity under the Company's equity-based plans for the year ended December 31, 2012 and the nine months ended September 30, 2013:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Balance at December 31, 2011	4,614,920	$ 5.38	7.17	$ 8,627
Granted	1,513,584	6.83		
Exercised	(1,429,392)	3.77		
Forfeited	(150,226)	3.37		
Expired	(92,006)	3.63		
Balance at December 31, 2012	4,456,880	3.22	7.46	24,060
Granted	1,791,700	16.21		
Exercised	(2,645,252)	2.60		
Forfeited	(191,116)	12.90		
Expired	(68,840)	2.88		
Balance at September 30, 2013	3,343,372	2.85	8.64	58,919
Vested and exercisable:				
December 31, 2012	2,213,720	2.24	6.20	14,124
September 30, 2013	425,814	$ 1.03	6.73	$ 8,276

The weighted-average grant-date fair value of stock options granted in the years ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013 was $4.33, $4.04, $3.01 and $7.59 per share, respectively. The total fair value of options vested for the years ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013 was $3.9 million, $5.5 million, $3.6 million and $3.2 million, respectively.

The total intrinsic value of options exercised for the years ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013 and was $1.5 million, $4.9 million, $6.1 million and $47.1 million, respectively. Cash received from options exercised during the year ended December 31, 2012 and the nine months ended September 30, 2013 was $5.4 million and $6.9 million, respectively. The exercise price of all options granted was equal to the fair value of the common stock on the date of grant.

As of December 31, 2012 and September 30, 2013, unrecognized compensation expense, net of forfeitures, associated with nonvested options outstanding was $6.3 million and $14.9 million, respectively, and is expected to be recognized over a weighted-average period of 2.42 years and 2.99 years, respectively.

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(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

The following table summarizes restricted stock unit activity under the Company's equity-based plans for the year ended December 31, 2012 and the nine months ended September 30, 2013:

	Number of Units	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2011	56,252	$ 6.90
Granted	—	—
Vested	(37,996)	$ 7.05
Forfeited	—	—
Nonvested at December 31, 2012	18,256	$ 6.59
Granted	—	—
Vested	(14,990)	$ 6.60
Forfeited	—	—
Nonvested at September 30, 2013	3,266	$ 6.55

No restricted stock units were granted in 2012 or 2013. The total grant date fair value of restricted stock units vested in years ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013 was $0.4 million, $0.4 million, $0.3 million and $0.1 million, respectively. As of December 31, 2012 and September 30, 2013, unrecognized compensation expense, net of forfeitures, associated with the nonvested restricted stock units outstanding was $0.1 million and $0.1 million, respectively, and is expected to be recognized over a weighted-average period of 0.88 years and 0.13 years, respectively.

Stock-Based Compensation

Stock-based compensation expense of $5.1 million, $4.8 million and $4.4 million was recognized for the years ended December 31, 2010, 2011 and 2012, respectively. An income tax benefit of $0.9 million, $3.4 million and $1.7 million was recognized relating to stock-based compensation expense for 2010, 2011 and 2012, respectively. The actual tax benefit realized from stock options exercised was $0.2 million, $0.2 million and $2.4 million for 2010, 2011 and 2012, respectively.

Stock-based compensation expense of $3.4 million and $4.4 million was recognized for the nine months ended September 30, 2012 and 2013, respectively. An income tax benefit of $0.6 million and $4.1 million was recognized relating to stock-based compensation expense for the nine months ended September 30, 2012 and 2013, respectively. The actual tax benefit realized from stock options exercised was $0.6 million and $18.3 million for the nine months ended September 30, 2012 and 2013, respectively.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
Expected term (in years)	6.00	5.77	6.04	6.03	6.04
Expected volatility	50%	48%	46%	46%	48%
Risk-free interest rate	2.04%	2.29%	1.01%	1.03%	1.22%
Expected dividend yield	0%	0%	0%	0%	0%

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

Earnings per Share

Basic and diluted earnings per share (EPS) are computed using the two-class method, which is an earnings allocation method that determines earnings per share for common stock and participating securities. The undistributed earnings are allocated between common stock and participating securities as if all earnings had been distributed during the period. Shares of convertible preferred stock are considered participating securities as they are entitled to share in dividends on a pro rata basis on redemption as if the shares had been converted to common stock.

Basic EPS is calculated by taking net income, less earnings available to participating securities, divided by the basic weighted average common stock outstanding.

Diluted earnings per share is calculated using the more dilutive of the if-converted method and the two-class method. Because the preferred stock participates in dividends on a pro rata basis as if the shares had been converted, the diluted earnings per share are the same under both methods. The two-class method has been presented below.

The following table sets forth the computation of the Company's basic and diluted net income (loss) per share attributable to common stock for the years ended December 31, 2010, 2011 and 2012 and nine months ended September 30, 2012 and 2013 (in thousands, except per share data):

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
Numerator (basic):					
Net (loss) income	$ (9,602)	$ 15,537	$ 31,832	$ 22,960	$ 7,140
Less net (loss) income allocated to participating securities	—	(12,883)	(25,312)	(18,392)	(5,484)
Net (loss) income attributable to common stock	$ (9,602)	$ 2,654	$ 6,520	$ 4,568	$ 1,656
Denominator (basic):					
Weighted average common stock outstanding	3,727	3,921	4,903	4,729	5,751
Basic EPS	*$ (2.58)*	*$ 0.68*	*$ 1.33*	*$ 0.97*	*$ 0.29*
Numerator (diluted):					
Net (loss) income	$ (9,602)	$ 15,537	$ 31,832	$ 22,960	$ 7,140
Less net (loss) income allocated to participating securities	—	(12,279)	(23,974)	(17,456)	(5,103)
Net (loss) income attributable to common stock	$ (9,602)	$ 3,258	$ 7,858	$ 5,504	$ 2,037
Denominator (diluted):					
Weighted average common stock outstanding	3,727	3,921	4,903	4,729	5,751
Add dilutive stock options and awards (RSUs) outstanding [(1)]	—	1,131	1,335	1,274	1,847
Net weighted average common stock outstanding	3,727	5,052	6,238	6,003	7,598
Diluted EPS	$ (2.58)	$ 0.65	$ 1.26	$ 0.92	$ 0.27

(1) Diluted EPS includes any dilutive impact of stock options and restricted stock units. The shares included in the following table were not included in the computation of diluted earnings per share because the effect was antidilutive. However, these shares may be dilutive potential common shares in the future.

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(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
			(in thousands)		
Stock options	6,493	2,060	1,474	1,546	820

The following table sets forth the computation of the Company's pro forma basic and diluted net income per share attributable to common stock for the year ended December 31, 2012 and nine months ended September 30, 2013 (in thousands, except per share data):

	Year Ended December 31, 2012	Nine Months Ended September 30, 2013
Numerator (basic):		
Net (loss) income	$ 31,832	$ 7,140
Denominator (basic):		
Weighted average common stock outstanding	4,903	5,751
Add conversion of preferred stock	19,033	19,033
	23,936	24,784
Basic EPS	$ 1.33	$ 0.29
Numerator (diluted):		
Net (loss) income	$ 31,832	$ 7,140
Denominator (diluted):		
Weighted average common stock outstanding	4,903	5,751
Add conversion of preferred stock	19,033	19,033
Add dilutive stock options and awards (RSUs) oustanding	1,335	1,847
Net weighted average common stock outstanding	25,271	26,631
Diluted EPS	$ 1.26	$ 0.27

Special Dividend

In May 2011, the Board of Directors declared a special dividend of $2.20 per common-equivalent share for holders of record of the Company's preferred stock as of June 17, 2011, or a total of $41.9 million, and $2.20 per for holders of record of the Company's common stock as of July 15, 2011, or a total of $9.0 million. Payment for these dividends has been fully paid in June 2011 and July 2011. Dividends have also been declared to holders of restricted stock units at $2.20 per common-equivalent share, or a total of $0.2 million, and are payable as the restricted stock units vest.

In March 2012, the Board of Directors declared a special dividend of $3.13 per common-equivalent share for holders of record of the Company's preferred stock as of March 30, 2012, or a total of $59.5 million, and $3.13 per share for holders of record of the Company's common stock as of May 15, 2012, or a total of

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$15.9 million. These dividends were fully paid in March 2012 and May 2012. Dividends have also been declared to holders of restricted stock units at $3.13 per share, or a total of $0.1 million, and are payable as the restricted stock units vest.

In August 2013, the Board of Directors declared a special dividend of $23.50 per common-equivalent share for holders of record of the Company's preferred stock as of August 21, 2013, or a total of $223.6 million, and $11.75 per share for holders of record of the Company's common stock as of August 30, 2013, or a total of $87.1 million. These dividends were fully paid in August 2013 and September 2013. Dividends have also been declared to holders of restricted stock units at $11.75 per share, or a total of $0.1 million, and are payable as the restricted stock units vest.

As of September 30, 2013 and December 31, 2012 and 2011, dividends payable to holders of restricted stock units was $0.1 million, $0.1 million and $0.1 million, respectively.

As a result of the 2011 special dividend and in accordance with the provisions of the 2009 Plan, the Company adjusted the exercise prices on all outstanding options downward by $2.20, exactly equal to the amount of the dividend, except in two instances in which: (i) the exercise price was originally $0.85, or (ii) the holder did not consent to the adjustment when consent was required. For grants that were originally issued at $0.85, the Company adjusted the exercise price to $0.65 and increased the number of shares to maintain the ratio of strike price to stock value pre- and post-adjustment.

As a result of the 2012 special dividend and in accordance with the provisions of the 2009 Plan, the Company adjusted the exercise prices on all outstanding options downward by $3.13, exactly equal to the amount of the dividend, except in three instances in which: (i) the incentive stock option exercise price was lower than $1.58, (ii) the non-qualified stock option exercise price was lower than $4.13, or (iii) the holder did not consent to the adjustment when consent was required. For incentive stock options that were priced lower than $1.58 and non-qualified stock options priced lower than $4.13, the Company adjusted the exercise price to $0.44 and $1.00 respectively, and increased the number of shares to maintain the ratio of strike price to stock value pre- and post-adjustment.

As a result of the 2013 special dividend and in accordance with the provisions of the 2009 Plan, the Company adjusted the exercise prices on all outstanding options downward by $11.75, exactly equal to the amount of the dividend, except in three instances in which: i) the exercise price was lower than $12.75, ii) the holder of the Incentive Stock Option under the 2009 Plan did not consent to the adjustment when consent was required, or iii) the Incentive Stock Option under the 2000 Plan. For options that were priced lower than $12.75, the Company adjusted the exercise price to $1.00.

No changes were made to the original option grant-date fair value for the purpose of recognizing ongoing stock-based compensation cost. No changes were made to nonvested restricted stock units.

Tender Offer

In November 2012, the Company offered to purchase up to 1,100,000 shares of the Company's outstanding common stock from eligible security holders for $8.62 per share. As a result, the Company purchased 304,270 shares for $2.6 million. The offer expired on December 31, 2012.

In March 2013, the Company offered to purchase up to 900,000 shares of the Company's outstanding common stock from eligible security holders for $16.40 per share. As a result, the Company purchased 203,864 shares for $3.3 million. The offer expired on May 31, 2013.

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(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

The purchase price of the stock repurchased is charged entirely to accumulated deficit in the statements of stockholders' equity.

In June 2013, the Board of Directors and requisite stockholders of the Company approved a forward split of the Company's common stock into two shares of common stock for each outstanding share of common stock. The stock split became effective July 1, 2013. Under the terms of our 2000 Plan and 2009 Plan, the number of shares reserved for issuance under such plans and all outstanding options and restricted stock units granted under such plans, and the exercise prices per share of such options, were automatically adjusted to give effect to the stock split. In addition, each share of Series G preferred stock and Series H preferred stock became convertible into two shares of common stock. All share and per share amounts contained in these financial statements have been revised to give effect to this stock split.

NOTE 11. 401(k) PLAN

Under the Company's 401(k) plan, corporate participants may direct the investment of contributions to their accounts among certain investments. The Company matches individual employee 401(k) plan contributions at the rate of $0.50 for every dollar contributed by employees subject to a cap. The Company recorded matching contributions to the 401(k) plan of $1.1 million and $2.2 million during the nine months ended September 30, 2012 and 2013 and $1.2 million, $1.2 million and $1.5 million during the years ended December 31, 2010, 2011 and 2012, respectively, which are reflected in various operating expense lines within the accompanying consolidated statements of operations.

The Company also maintains a multiple employer defined contribution plan, which covers serviced employees for client companies electing to participate in the plan and for its internal staff employees. The Company contributes, on behalf of each participating client, varying amounts based on the clients' policies and serviced employee elections.

NOTE 12. INCOME TAXES

The Company is subject to taxation in the United States and Canada. However, business is conducted primarily in the United States. The effective tax rate differs from the statutory rate primarily due to state taxes, tax credits and changes in uncertain tax positions. The Company makes estimates and judgments about its future taxable income that are based on assumptions that are consistent with the Company's plans and estimates. Should the actual amounts differ from these estimates, the amount of the valuation allowance could be materially affected.

Income taxes are computed using the asset and liability method, under which deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Changes in valuation allowances are reflected as a component of provision for (benefit from) income taxes.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

Significant components of the Company's deferred tax assets and liabilities are as follows (in thousands):

	December 31,	
	2011	**2012**
Deferred tax assets:		
Net operating losses (federal and state)	$ 634	$ 11,686
Accrued expenses	5,210	5,392
Accrued workers compensation costs	8,808	4,617
Stock-based compensation	4,452	3,942
Tax benefits relating to uncertain positions	138	70
Depreciation and amortization	4,606	—
Deferred service revenues	883	—
Other	301	279
Total	25,032	25,986
Valuation allowance	(431)	(1,547)
Total deferred tax assets	24,601	24,439
Deferred tax liabilities:		
Depreciation and amortization	—	(35,381)
Deferred service revenues	—	(25,689)
Prepaid health plan expenses	(5,071)	(13,945)
Change in control expenses	—	(1,410)
Total deferred tax liabilities	(5,071)	(76,425)
Net deferred tax assets (liabilities)	$19,530	$(51,986)

The deferred tax assets and liabilities presented above are classified in the accompanying consolidated balance sheets as follows (in thousands):

	December 31,	
	2011	**2012**
Net current deferred tax liabilities	$ (520)	$(33,960)
Net non-current deferred tax assets (liabilities)	20,050	(18,026)
Net deferred tax assets (liabilities)	$19,530	$(51,986)

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(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

The provision for (benefit from) income taxes consists of the following (in thousands):

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
Current:					
Federal	$ 6,585	$1,107	$10,699	$ 13,340	$ 12,083
Foreign	—	184	142	104	159
State	715	140	1,845	1,220	1,173
	7,300	1,431	12,686	14,664	13,415
Deferred:					
Federal	(6,676)	2,898	6,610	662	(8,691)
State	(724)	317	1,048	60	(844)
	(7,400)	3,215	7,658	722	(9,535)
	$ (100)	$4,646	$20,344	$ 15,386	$ 3,880

The U.S. federal statutory income tax rate reconciled to the Company's effective tax rate is as follows:

	Year Ended December 31,			Nine Months Ended September 30,	
	2010	2011	2012	2012	2013
U.S. federal statutory tax rate	35.00%	35.00%	35.00%	35.00%	35.00%
State income taxes, net of federal benefit	3.8	3.8	3.2	3.2	3.4
Nondeductible transaction costs	—	—	0.6	0.4	0.3
Prior year reconciliation adjustment	3.6	(5.9)	0.2	0.3	0.4
Stock-based compensation	(11.5)	(5.0)	0.1	1.3	(0.2)
Uncertain tax positions	(38.7)	(4.3)	(0.2)	(0.2)	(4.2)
Tax credits	10.2	(1.8)	(0.7)	(0.7)	(3.4)
Other	(1.4)	1.2	0.8	0.8	3.9
	1.00%	23.00%	39.00%	40.10%	35.20%

Net deferred tax (liabilities) and assets of $(6.2) million, $(0.4) million, and $(31.4) million were established in connection with the revaluation of assets and liabilities with respect to the acquisition of Accord, ExpenseCloud and SOI, respectively. These net (liabilities) were reduced by a minimal amount for Accord; $0.2 million for ExpenseCloud, and $3.7 million for SOI respectively, as a result of their final pre-acquisition income tax returns filed during 2013. These deferred assets and liabilities are expected to generate timing differences through the year ending December 31, 2028.

The Company records a valuation allowance to reduce reported deferred tax assets if, based on the weight of available evidence, both positive and negative, for each respective tax jurisdiction, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company recorded a valuation allowance of $0.4 million, $1.5 million and $4.0 million as of December 31, 2011, December 31, 2012 and September 30, 2013, respectively, related to certain federal and state net operating loss carryforwards that may not be utilized prior to expiration. The Company has federal and multiple state net operating loss carryforwards of approximately $36.2 million and

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

$48.4 million, respectively that will expire in years 2014 through 2032. The net operating loss carryforwards increased between 2011 and 2012 as a result of recently acquired net operating losses that are subject to an IRC Section 382 limitation, which is partially offset by a valuation allowance of $1.6 million. Additionally, the Company has state tax credit carryforwards available from the 2011 and 2012 tax years, also recognized as a result of a recent acquisition. The state tax credit carryforwards for 2012 were also generated as a result of recently acquired state tax credit carryforwards, which are partially offset by a valuation allowance of $2.0 million. The December 31, 2012 current tax expense of $11.6 million is net of $1.1 million tax benefit of operating loss carry forwards. The valuation allowance increased (decreased) by $(1.0) million, $0.1 million, $1.1 million and $2.5 million, respectively, as of December 31, 2010, 2011 and 2012 and September 30, 2013, respectively.

The Company is subject to tax in U.S. federal and various state and local jurisdictions, as well as Canada. The Company has not been subject to any material income tax examinations in federal or state jurisdictions for tax years beginning prior to 2009.

The Company executed a Settlement Agreement with the Internal Revenue Service Office of Appeals (Appeals) in March 2011 with a payment of $3.2 million, effectively closing the IRS' examination of Gevity HR, Inc.'s (Gevity) consolidated U.S. income tax returns for 2002 through 2004, with the exception of a continuing refund claim for employment tax credits of $3.2 million. Gevity was acquired by TriNet on June 1, 2009 and was later merged into TriNet, effective January 1, 2010. IRS examinations with respect to Gevity's tax years 2005 through June 1, 2009 were concluded during 2012. However, Revenue Agent Reports issued in connection with Notices of Proposed Assessments disallowing employment tax credits totaling $10.5 million are subject to further consideration by Appeals. Additionally, the Company, together with Appeals and the IRS exam team, has formally requested a Technical Advice Memorandum (TAM) from the IRS to determine the Company's ability to realize FICA tip tax credits on its federal corporate income tax returns as a statutory employer. The TAM was issued on August 29, 2013 by the IRS's National Office and it ultimately reached an unfavorable conclusion for the Company. The Company is requesting reconsideration from the IRS's National Office because some facts were misstated or misinterpreted in the TAM and the TAM failed to completely respond to the ultimate request. However, the Company believes the reconsideration will be denied based on discussions with Appeals. Should that be the case, the Company has requested alternative actions, including a request for revocation or prospective application based on statutory authority. With regard to the FICA tip tax matter, the Company believes it is more likely than not that the Company will prevail. Therefore, no reserve has been recognized related to this matter.

As of December 31, 2011, December 31, 2012 and September 30, 2013, the total unrecognized tax benefits related to uncertain income tax positions were $3.1 million, $3.3 million and $3.0 million, respectively. It is reasonably possible that $3.0 million and $2.5 million of the total unrecognized tax benefits as of December 31, 2012 and September 30, 2013, respectively, will settle within the next year; thus, the gross unrecognized tax benefit at December 31, 2012 and September 30, 2013 (including interest of $0.6 million and $0.7 million, respectively) could significantly decrease within 2013. Unrecognized tax benefits that may settle within the next year represent federal employment tax credits, which are more fully described above.

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

A reconciliation of the beginning and ending amount of unrecognized tax benefits (excluding interest and penalties) is as follows (in thousands):

	December 31,		
	2010	2011	2012
Unrecognized tax benefits at January 1	$2,727	$ 1,914	$2,516
Additions for tax positions of prior periods	—	2,109	110
Additions for tax positions of current period	—	—	49
Additions due to acquisitions	—	—	509
Reductions for tax positions of prior periods	(8)	(29)	(144)
Reductions for tax positions of current period:			
Settlements with taxing authorities	(11)	(1,320)	—
Lapse of applicable statute of limitations	(794)	(158)	(330)
Unrecognized tax benefits at December 31	$1,914	$ 2,516	$2,710

The Company recognized interest related to its uncertain tax positions as a component of income tax expense in the accompanying consolidated statements of operations of $2.2 million, $0.4 million and $0.2 million for the years ended December 31, 2010, 2011 and 2012 and minimal for the nine months ended September 30, 2012 and 2013, respectively.

The Company has not provided for U.S. federal income and foreign withholding taxes on its Canadian subsidiary's undistributed earnings of $0.5 million as of December 31, 2012, because the Company intends to reinvest such earnings indefinitely. Upon distribution of those earnings in the form of dividends or otherwise, the Company would be subject to U.S. income taxes (subject to an adjustment for foreign tax credits). It is not practical to determine the income tax liability that might be incurred if these earnings were to be distributed.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Company leases office facilities, including its headquarters and other facilities, and equipment under non-cancelable operating leases. The Company also leases certain software and furniture, fixtures, and equipment under capital leases. The schedule of minimum future rental payments under non-cancelable operating and capital leases having initial terms in excess of one year at September 30, 2013, is as follows (in thousands):

	Capital Leases	Operating Leases
Year ending December 31:		
2013	$ 179	$ 2,341
2014	370	8,843
2015	78	7,311
2016	9	2,691
2017	—	1,342
Thereafter	—	3,543
Minimum lease payments	636	$ 26,071
Less current portion of minimum lease payments	(414)	
Less interest	(26)	
Long term portion of capital leases	$ 196	

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

The lease agreements generally provide for rental payments on a graduated basis and for options to renew, which could increase future minimum lease payments if exercised. The Company recognizes rent expense on a straight-line basis over the lease period and accrues for rent expense incurred but not paid. Rent expense for the nine months ended September 30, 2012 and 2013 was $5.2 million and $7.1 million, respectively. Rent expense for the years ended December 31, 2010, 2011 and 2012 was $8.6 million, $7.8 million and $7.3 million, respectively. Sublease income to be received under non-cancelable subleases for the years ending December 31, 2013, 2014 and 2015, is $0.5 million, $0.4 million and $0.3 million, respectively.

Operating Covenants

To meet various states' licensing requirements and maintain accreditation by Employer Services Assurance Corporation, the Company is subject to various minimum working capital and net worth requirements. As of December 31, 2011 and 2012, the Company believes it has fully complied in all material respects with all applicable state regulations regarding minimum net worth, working capital and all other financial and legal requirements. Further, the Company has maintained positive working capital throughout the period covered by the financial statements.

Contingencies

The Company may from time to time become involved in various litigation arising in the ordinary course of business including suits by our customers. The unfavorable resolution of any such matter could have a material effect on the Company's consolidated financial position and results of operations.

Due to the nature of the Company's relationship with its WSEs, the Company could be subject to liability for federal and state law violations even if the Company does not participate in such violations. While the agreements with customers contain indemnification provisions related to the conduct of its customers, the Company historically has not encountered situations requiring enforcement of these indemnification provisions.

The Company has been named as a defendant in various purported class action lawsuits arising from the nature of the Company's relationship with its WSEs. At this stage of the lawsuits, management believes an unfavorable outcome to the Company is not probable. There are significant uncertainties involved in any purported class action litigation. Management is unable to estimate a possible loss or range of loss for these class action lawsuits.

NOTE 14. RESTRUCTURING COSTS

In 2010 and 2011, the Company conducted reductions in force affecting approximately 12% and 11% of its workforce, respectively. The restructuring costs consist of severance and placement costs, lease termination costs and other exit costs. The activity and balance of the restructuring liability account excluding impairment charges is as follows (in thousands):

	December 31,		September 30,
	2011	2012	2013
Beginning balance	$ 4,877	$ 3,834	$ 2,200
Provision	2,260	—	—
Change in estimate	98	(14)	—
Payments	(3,401)	(1,620)	(604)
Ending balance	$ 3,834	$ 2,200	$ 1,596

TriNet Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Information as of September 30, 2013 and for the nine months ended September 30, 2012 and 2013 is unaudited)

The restructuring liability account is included in the following accounts in the accompanying consolidated balance sheets (in thousands):

	December 31,		September 30,
	2011	2012	2013
Other current liabilities	$1,627	$ 802	$ 778
Other liabilities	2,207	1,398	818
Total	$3,834	$2,200	$ 1,596

NOTE 15. SUBSEQUENT EVENTS

For the consolidated financial statements as of December 31, 2011 and 2012 and September 30, 2013, and for each of the years ended December 31, 2010, 2011 and 2012 and for the nine months ended September 30, 2012 and 2013, we evaluated subsequent events through November 20, 2013, the date the consolidated financial statements were available to be issued.

In June 2013, the Board of Directors and requisite stockholders of the Company approved a forward split of the Company's common stock into two shares of common stock for each outstanding share of common stock. The stock split became effective July 1, 2013. Refer to Note 10 for details.

In July 2013, the Company acquired 100% of the outstanding equity of Ambrose. Refer to Note 4 for details.

In August 2013, the Company entered into two senior secured credit facilities. Refer to Note 8 for details.

In August 2013, the Board of Directors declared a special dividend. As a result and in accordance with the provisions of the 2009 Plan, the Company adjusted the exercise prices on all outstanding options downward. Refer to Note 10 for details.

Report of Independent Auditors

To the Board of Directors and Stockholders of SOI Holdings, Inc.

In our opinion, the accompanying consolidated statements of operations, of stockholders' deficit and of cash flows for the years ended December 31, 2011, 2010 and 2009 present fairly, in all material respects, the results of operations and cash flows of SOI Holdings, Inc. and its subsidiaries for the years ended December 31, 2011, 2010 and 2009 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina
April 13, 2012, except for the effects of the restatement described in the last paragraph of Note 2, as to which the date is November 18, 2013

SOI Holdings, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended December 31, 2009, 2010 and 2011
and nine months ended September 30, 2011 and 2012
(In thousands)

	Year Ended December 31,			Nine Months Ended September 30,	
	2009	2010	2011	2011	2012
				(unaudited)	
Revenues	$240,375	$296,139	$373,415	$273,982	$322,912
Cost of revenues (excluding depreciation of $435, $636 and $743 in 2009, 2010 and 2011, respectively, $524 and $709 (unaudited), in nine months ended September 30, 2011 and 2012, respectively	193,847	246,791	306,209	226,907	265,387
Gross profit	46,528	49,348	67,206	47,075	57,525
Operating expenses:					
Selling, general and administrative expenses	33,424	37,107	44,944	32,908	37,577
Depreciation and amortization	1,182	1,607	1,903	1,353	1,764
Other	470	476	215	137	1,647
Operating profit	11,452	10,158	20,144	12,677	16,537
Interest income (expense):					
Interest income	35	2	2	1	20
Interest expense	(3,934)	(5,690)	(5,272)	(4,081)	(3,245)
Interest expense, net	(3,899)	(5,688)	(5,270)	(4,080)	(3,225)
Income before income taxes	7,553	4,470	14,874	8,597	13,312
Provision for income taxes	2,922	1,745	4,977	2,759	4,843
Net income	$ 4,631	$ 2,725	$ 9,897	$ 5,838	$ 8,469

The accompanying notes are an integral part of these consolidated financial statements.

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SOI Holdings, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

Years ended December 31, 2009, 2010 and 2011 and nine months ended September 30, 2012
(In thousands)

	Common Stock		Excess Purchase Price Over Predecessor Basis of Net Assets Acquired	Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount				
Balance at January 1, 2009	327,219	$ 3	$ (7,206)	$ 733	$ (20,836)	$(27,306)
Stock-based compensation expense	—	—	—	202	—	202
Issuance of common stock warrants	—	—	—	761	—	761
Net income	—	—	—	—	4,631	4,631
Balance at December 31, 2009	327,219	$ 3	$ (7,206)	$ 1,696	$ (16,205)	$(21,712)
Stock-based compensation expense	—	—	—	96	—	96
Net income	—	—	—	—	2,725	2,725
Balance at December 31, 2010	327,219	$ 3	$ (7,206)	$ 1,792	$ (13,480)	$(18,891)
Stock-based compensation expense	—	—	—	33	—	33
Net income	—	—	—	—	9,897	9,897
Balance at December 31, 2011	327,219	$ 3	$ (7,206)	$ 1,825	$ (3,583)	$ (8,961)
Stock-based compensation expense	—	—	—	173	—	173
Net income	—	—	—	—	8,469	8,469
Balance at September 30, 2012 (unaudited)	327,219	$ 3	$ (7,206)	$ 1,998	$ 4,886	$ (319)

The accompanying notes are an integral part of these consolidated financial statements.

SOI Holdings, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2009, 2010 and 2011
and nine months ended September 30, 2011 and 2012
(in thousands)

	Year Ended December 31,			Nine Months Ended September 30,	
	2009	2010	2011	2011	2012
				(unaudited)	
Cash from operating activities					
Net income	$ 4,631	$ 2,725	$ 9,897	$ 5,838	$ 8,469
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	1,182	1,607	1,903	1,353	1,764
Amortization of debt issuance costs	1,234	2,010	1,466	1,328	405
Stock-based compensation	202	96	33	28	173
Loss (gain) on derivative instruments	(621)	—	54	—	9
Loss on disposal of assets	12	145	11	—	—
Deferred income taxes	12,337	1,662	4,927	2,807	4,902
Changes in operating assets and liabilities:					
Receivables	3,152	(11,255)	(14,932)	(13,819)	(16,573)
Prepaid expenses and other assets	(3,543)	2,547	(1,618)	481	(3,014)
Book overdraft	(664)	(171)	(26)	30	11
Customer deposits	902	2,780	1,508	1,248	342
Payroll taxes and other withholdings	5,325	(1,750)	5,530	3,378	2,220
Accrued wages and cost of revenues	(9,448)	9,618	15,256	12,354	14,872
Accrued and other liabilities	(5,359)	2,057	(5,959)	3,021	(1,756)
Net cash provided by operating activities	9,342	12,071	18,050	18,047	11,824
Cash flows from investing activities					
Additions to property, equipment and computer software	(1,964)	(1,843)	(2,184)	(1,437)	(1,600)
Proceeds from the sale of assets	1	39	113	113	1
Decrease (Increase) in restricted cash	(50)	(1,042)	245	219	427
Net cash used in investing activities	(2,013)	(2,846)	(1,826)	(1,105)	(1,172)
Cash flows from financing activities					
Proceeds from borrowings	3,000	—	35,000	35,000	—
Repayments of borrowings	(9,269)	(8,339)	(37,760)	(36,630)	(3,991)
Payment of loan costs	—	(104)	(2,700)	(2,651)	—
Other financing activities	(838)	—	(65)	(64)	—
Net cash used in financing activities	(7,107)	(8,443)	(5,525)	(4,345)	(3,991)
Net increase in cash and cash equivalents	222	782	10,699	12,597	6,661
Cash and cash equivalents					
Beginning of period	10,626	10,848	11,630	11,630	22,329
End of period	$10,848	$ 11,630	$ 22,329	$ 24,227	$ 28,990
Supplemental disclosures of cash flow information					
Cash paid during the period for:					
Interest	$ 2,718	$ 2,975	$ 2,624	$ 2,097	$ 1,848
Income taxes (net of refund)	(3,914)	(2,885)	74	75	74
Noncash investing and financing activities					
Capital lease obligation	$ 66	$ 1,064	$ 628	$ 349	$ 280
Software licenses financed	—	275	—	—	—

The accompanying notes are an integral part of these consolidated financial statements.

SOI Holdings, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except per share data)

1. ORGANIZATION AND NATURE OF BUSINESS

Nature of Operations

SOI Holdings, Inc. is the parent company of Strategic Outsourcing, Inc. ("SOI"), which constitutes its sole asset (collectively, the "Company"). As of December 31, 2011, the Company owned 100% of the capital stock of 46 active subsidiary companies. SOI is a professional employer organization ("PEO") that provides a comprehensive human resources solution for its clients including payroll processing, human resources consultation and related resources, risk management related services and health, welfare and other benefits. SOI provides services to a diversified group of small and medium–sized businesses throughout the United States and currently has offices in 20 markets in 11 states. Approximately 71.6%, 69.6% and 72.8% of the Company's gross billings were concentrated in three states for the years ended December 31, 2009, 2010 and 2011, respectively.

In a PEO arrangement, the PEO provides services to its clients designed to reduce human resources related administrative burdens, provide support for regulatory compliance and to help manage human resource related costs and improve employee satisfaction and retention. The client retains control over operating its business and over matters such as hiring related decisions and day-to-day supervision of its worksite employees. Additionally, the client controls the setting of worksite employee compensation, training and complying with applicable regulations. The PEO charges its clients a service fee which is based upon a percentage of the worksite employee payroll costs including amounts related to employment related taxes and workers compensation insurance and other benefits, if elected to be taken by the client.

Ownership, Acquisition and Basis of Presentation

Since August 2005, majority ownership of the Company has been held by SOI Investors LLC (an unrelated company) and a member of management. SOI Investors LLC is controlled by Clarion Capital Partners, LLC ("Clarion") and its affiliates. The Company previously was a wholly owned subsidiary of a large financial company.

The acquisition was accounted for as a leveraged buyout whereby a portion of the former owner's historical basis has been assigned to the assets and liabilities of the Company. The remainder of the investment in the assets and liabilities (i.e., the percentage acquired by Clarion and management) were recorded at fair value. As a result, the assets and liabilities were assigned values, part carryover basis and part fair value, in conformity with accounting principles generally accepted in the United States ("GAAP"), at the time of transaction.

2. PRINCIPLES OF CONSOLIDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Presentation

The accompanying consolidated financial statements include the accounts of SOI Holdings, Inc. and its subsidiaries after elimination of all significant intercompany accounts and transactions.

In the opinion of management, the accompanying unaudited interim financial statements for the nine months ended September 30, 2011 and 2012 include all adjustments, consisting of normal recurring items, necessary for their fair statement in accordance with generally accepted accounting principles.

Segment Reporting

The Company's operations are managed and reported in one reportable segment.

SOI Holdings, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

Use of Estimates

The accompanying consolidated financial statements are prepared in conformity with GAAP, which requires the Company to make certain 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 revenues and expenses during the reporting period. The Company bases estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances including actuarially accepted quantitative and analytical methods in determining workers compensation accruals, health benefit claims accruals and expense recognized for retrospectively rated policies. The estimated value of the Company's stock utilized in recognition of stock-based compensation expense and warrant costs are also a significant estimate. Actual results could differ from those estimates.

Comprehensive Income

Comprehensive income is equal to net income for all periods presented, as the Company has no items required to be recognized in accumulated other comprehensive income.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of less than 90 days. Cash and cash equivalents are stated at cost, which approximates fair value. The Company has restricted cash used to fund medical benefits and serve as collateral for licensing bonds. Restricted cash is included in current assets due to the short-term nature of the medical benefits being funded.

Property, Equipment and Computer Software

Property and equipment are stated at cost less accumulated depreciation and amortization. Maintenance, repairs and minor replacements are expensed as incurred; major replacements and improvements are capitalized. Upon retirement or disposal of properties, the cost and accumulated depreciation and amortization are removed from the accounts and any gain or loss is reflected in selling, general and administrative expenses in the consolidated statements of operations. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets or the lease terms, generally three to five years for software and office equipment, five to seven years for furniture and fixtures, and the shorter of the asset life or the remaining lease term for leasehold improvements.

The Company reviews its property and equipment amounts for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of the asset exceeds the estimated undiscounted cash flows expected to be generated from the asset. The amount of the impairment loss recorded is calculated as the excess of the asset's carrying value over its fair value. Fair value is generally determined using a discounted cash flow analysis. The Company has determined that no impairment of property and equipment existed as of December 31, 2009, 2010 and 2011 and September 30, 2011 and 2012.

The Company capitalizes internally developed software on a project by project basis. Amortization of capitalized software is computed over a period of 5 years, which is the expected useful life of the software. Amortization of capitalized software is included in depreciation and amortization on expense and totaled $759, $1,109 and $1,341 for the years ended December 31, 2009, 2010 and 2011, respectively. Amortization of capitalized software is included in depreciation and amortization expense and totaled $954 and $1,276 (unaudited) for the nine months ended September 30, 2011 and 2012, respectively.

SOI Holdings, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

Goodwill, Intangible and Other Assets

The August 2005 acquisition included certain identifiable intangible assets and goodwill in the purchase price in the amounts of $21,974 and $46,089, respectively. Goodwill represents the excess of the purchase price over the fair value of the net assets at the date of acquisition. Intangible and other assets consist of debt issuance costs and other identifiable intangible assets. Goodwill is not amortized, but is tested for impairment annually and between annual tests if an event occurs or circumstances change that would indicate the carrying amount may be impaired. The Company determined there was no impairment of goodwill as of December 31, 2009, 2010 and 2011, based on its annual test. Other intangible assets, principally software programs, are amortized on a straight-line basis over a 12 year period. Capitalized debt issuance costs are amortized over the term of the debt agreement.

Intangible assets with finite lives are tested for impairment whenever events or circumstances indicate that the carrying amount of the asset may exceed the estimated undiscounted cash flows used in determining the fair value of the asset. The Company has determined that no impairment of the intangible assets existed as of December 31, 2009, 2010 and 2011. Amortization expense for all other intangible assets totaled approximately $54 for each of the years ended 2009, 2010 and 2011. Amortization expense for all other intangible assets totaled approximately $40 (unaudited) for the nine months ended September 30, 2011 and 2012.

Workers Compensation Insurance

The Company maintains a loss sensitive workers compensation program with an insurance company. The insured loss sensitive program provides insurance coverage for claims incurred in each plan year but which will be paid out over future periods. An affiliate of the insurance company acts as a third party administrator to process claims, for which it is paid an administrative fee. In states where private insurance is not permitted, customer employees are covered by state insurance funds.

Workers compensation expense for each year is based upon premiums paid to the carrier for the current year coverage, estimated total cost of claims to be paid by the Company that fall within the policy deductible and the administrative costs of the programs. Additionally, any revisions to the ultimate loss estimates of the prior years' loss sensitive programs are recognized in the current year.

At least annually, the Company obtains from an independent actuary a calculation of the estimated cost of claims incurred based on its current and historical loss development trends which is used by management to develop the overall loss estimates related to each open program year. The estimated cost of the claims calculated may be subsequently revised by the Company with assistance from the independent actuary based on future developments relating to such claims.

Health Benefits

Claims incurred under health benefit plans are expensed as incurred according to the terms of each contract. For certain contracts, liability accruals are established for the benefit claims reported but not yet paid and claims that have been incurred but not yet reported to the Company.

Employment Practices Liability Insurance

The Company has an Employment Practices Liability Insurance ("EPLI") policy with an independent insurance company that covers the Company and its clients. The Company and its clients share the cost of claims up to a $75 deductible per claim under this insurance agreement. The process by which the accrual is established is based on information regarding the litigation outstanding and estimates based on experience. These estimates are revised and adjustments, as necessary, are recorded in the period in which additional data is received.

SOI Holdings, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

Income Taxes

The Company accounts for income taxes under the asset and liability method whereby deferred tax assets and liabilities are measured using enacted tax laws and rates expected to apply to taxable income in the years in which the assets and liabilities are expected to be recovered or settled. The effects on deferred tax assets and liabilities of subsequent changes in the tax laws and rates are recognized in income during the year the changes are enacted. A valuation allowance is provided for deferred tax assets when, in the opinion of management, it is more likely than not that the deferred tax assets will not be realized. The Company recognizes income tax positions that meet the more likely than not threshold and accrues interest related to unrecognized income tax positions, which is recorded as a component of the income tax provision.

Revenue Recognition

The Company reports revenue in conformity with GAAP, whereby certain amounts in the consolidated statements of operations are reported on a "gross" basis while other amounts are reported on a "net" basis.

Revenues are derived from gross client billings less aggregate worksite employee payroll. Gross billings are based on (i) the payroll cost, which includes wages, bonuses and related payroll taxes, of the client's worksite employees; (ii) a service fee computed as a percentage of the payroll cost; and (iii) a charge for health benefits based on the number of participating worksite employees, if elected to be taken. Worksite employee payroll consists solely of the payroll associated with client employees. Among the factors considered in determining "net" versus "gross" reporting, are that the Company is not deemed to be the primary obligor for worksite employee payroll and, accordingly, such amounts are reported "net" in the consolidated statements of operations.

Revenues are recognized in the period that services are rendered to clients pursuant to the contract terms. Revenues also include unbilled amounts for work performed by client worksite employees that is unpaid at the end of each period. Worksite employee payroll costs are accrued as earned by the employee. Subsequent to the end of each period, unpaid worksite employee payroll costs are paid by the Company to the employees and any unbilled amounts are invoiced to the client.

Costs of revenues consist principally of (i) the client's portion of worksite employee payroll related taxes; (ii) workers compensation costs; (iii) health benefits costs and; (iv) other employee benefits costs (e.g. 401(k) costs). These amounts are reported on a "gross" basis in the consolidated statements of operations as the Company is regarded as the primary obligor.

Revenues as reported in the consolidated statements of operations were as follows:

	Year Ended December 31,			Nine Months Ended September 30,	
	2009	2010	2011	2011	2012
				(unaudited)	
Gross billings	$ 1,443,828	$ 1,785,196	$ 2,327,521	$ 1,655,159	$ 2,015,780
Worksite employee payroll	(1,203,453)	(1,489,057)	(1,954,106)	(1,381,177)	(1,692,868)
Revenues	$ 240,375	$ 296,139	$ 373,415	$ 273,982	$ 322,912

SOI Holdings, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

Recent Accounting Pronouncements

In September 2011, the Financial Accounting Standards Board, or FASB, issued new guidance that will allow entities to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Previous guidance required an entity to test goodwill for impairment, on at least an annual basis, by comparing the fair value of a reporting unit with its carrying amount. If the fair value of a reporting unit is less than its carrying amount, then the second step of the test must be performed to measure the amount of the impairment loss, if any. Under the new guidance, the Company would not be required to calculate the fair value of a reporting unit unless it determines, based on the qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The new guidance includes a number of events and circumstances for an entity to consider in conducting the qualitative assessment. The new guidance was effective beginning with annual and interim impairment tests performed in 2012. As the new guidance only affects the manner of assessment of goodwill for impairment, it will not have a material impact on the Company's results of operations, financial condition, or cash flows.

In June 2011, the FASB issued amended accounting guidance related to presentation of comprehensive income. The standards update is intended to help financial statement users better understand the causes of an entity's change in financial position and results of operations. It is effective for reporting periods beginning after December 15, 2011. The amendments eliminate the option to present components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments require that all nonowner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The guidance also requires that reclassification adjustments for items that are reclassified from other comprehensive income to net income be presented on the face of the financial statement where the components of net income and other comprehensive income are presented.

Restatement of Previously Issued Consolidated Financial Statements

The Company previously restated its consolidated financial statements presented herein to correct certain errors primarily related to workers' compensation and income taxes which have been reflected in these consolidated financial statements.

3. EMPLOYEE BENEFIT PLANS

The Company provides health and welfare employee benefit coverage to clients and employees in addition to a 401(k) defined contribution plan.

The 401(k) employee savings plan (the "Plan") is a Multiple Employer Plan ("MEP") administered by an independent insurance company and provides participants with a variety of investment options. Under the MEP, participating client companies select various eligibility, contribution, and vesting options. The determination of amounts, if any, of contributions by the Company to the Plan is subject to the sole discretion of the Company. Expense associated with these plans totaled $963, $929 and $1,295 in 2009, 2010 and 2011, respectively. Expense associated with these plans totaled $1,015 and $1,088 for the nine months ended September 30, 2011 and 2012, respectively (unaudited).

The Company has a health care trust (the "Trust") through which it offers various medical benefits plans to clients and employees. The Company fully funds its aggregate liability under the plans into the Trust. The Trust funds all plan premiums, re-insurance premiums, and administrative costs, as well as claims under self-insured plans. The Trust has not sought or received a letter of qualification pursuant to section 501(c)(9) of the Internal Revenue Code ("IRC") regarding its tax-exempt status. However, the Company's management believes that the Trust qualifies in its design as well as operation with applicable regulations of the IRC.

SOI Holdings, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

For clients based in states other than Florida, the Company primarily offers medical care benefits under an insurance policy with a major national provider which incorporates various HMO, PPO, and POS plans. The majority of these plans are subject to a contract that limits the Company's annual liability. The Company also provides coverage under various regional medical benefit plans in certain areas of the country. These regional plans are subject to fixed cost contracts.

The Company's primary medical care insurer for clients based in Florida is a leading provider of medical care benefits in that state. The Company's policy with this provider is a minimum premium policy under which the Company is obligated to reimburse the provider for the cost of the claims incurred by participants under the plan, plus the cost of plan administration.

The Company has a minimum premium policy with a specific liability limitation for the Company of $250 per participant per plan year.

The Company offers a PPO dental plan which is also subject to a fixed cost contract. In addition, the Company offers various fixed cost insurance programs through various providers for vision care, life, accidental death and dismemberment, short-term disability and long-term disability coverage.

Health benefit accruals are based primarily on management's estimates which utilize estimates of claims incurred but not reported and for claims reported but not yet paid. The assumptions used in determining the liability are regularly reviewed and any adjustment resulting from these reviews is reflected in current estimates.

4. INCOME TAXES

Components of income tax expense for the years ended December 31, 2009, 2010 and 2011 are as follows:

	Year Ended December 31,		
	2009	2010	2011
Current			
Federal	$ (8,467)	$ —	$ —
State	(948)	83	49
	(9,415)	83	49
Deferred			
Federal	11,751	1,589	5,267
State	586	73	(339)
	12,337	1,662	4,928
Total provision	$ 2,922	$ 1,745	$ 4,977

SOI Holdings, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

The reconciliations of taxes based on the U.S. federal statutory rate of 35.0% for the years ended December 31, 2009, 2010 and 2011 are as follows:

	Year Ended December 31,		
	2009	2010	2011
Income taxes (benefit) at the federal statutory rate	$ 2,643	$ 1,565	$ 5,206
Change in state valuation allowance	(230)	(41)	137
Federal tax payable reserve adjustment	(258)	42	66
State income taxes, net of federal benefit	719	130	422
State income tax credit, net of federal benefit	—	(4)	(909)
Other, net	48	53	55
Provisions for income taxes	$ 2,922	$ 1,745	$ 4,977

5. LEASES

The Company leases office equipment and space under noncancelable operating and capital lease agreements, some of which contain escalation clauses. Rent expense for the years ended December 31, 2009, 2010 and 2011 totaled approximately $1,410, $1,515 and $1,616, respectively. Rent expense for the nine months ended September 30, 2011 and 2012 totaled approximately $1,195 and $1,437 (unaudited), respectively. As of December 31, 2011, minimum future rental payments under these capital and noncancelable operating leases having original terms in excess of one year are as follows:

	Capital	Operating
2012	$ 519	$ 1,494
2013	551	1,299
2014	266	1,104
2015	—	857
2016	—	486
Total minimum lease payments	1,336	$ 5,240
Less: Amount representing interest	(71)	
Present value of minimum lease payments	1,265	
Less: Current portion	(479)	
Long-term obligations under capital lease	$ 786	

6. COMMITMENTS AND CONTINGENCIES

State Regulation

The Company is subject to licensing regulations in certain states, which require among other things that the Company meet certain minimum net worth, working capital and other financial and legal requirements. The Company believes it has fully complied in all material respects with all applicable state regulations regarding minimum net worth, working capital and all other financial and legal requirements.

SOI Holdings, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

Litigation

The Company has certain contingent liabilities resulting from litigation and claims incidents in the ordinary course of business, all of which are being defended vigorously. Management believes that the probable resolution of such contingencies will not materially affect the Company's financial position or results of operations. However, the defense and settlement of these claims may impact the future availability of, and retention amounts and cost to the Company, for applicable insurance coverage.

7. STOCK OPTIONS

The Company's 2005 Stock Option Plan, as amended, provides for issuance of options to purchase up to 45,000 shares of common stock. Awards may be granted to nonemployee directors on an annual basis and to employees as determined by the Company's Board of Directors. Granted options carry a term of 10 years with vesting ratably over three years. The Company utilizes the Black-Scholes valuation model which relies on certain assumptions to estimate an option's fair value.

Determining the fair value of the Company's stock requires making complex and subjective judgments. There is inherent uncertainty in the use of estimates and judgments and there can be no certainty that the estimated fair values can be realized due to there being no readily available market for the shares of the Company.

The Company used the following key assumptions, among others, in determining the estimated fair value of the Company's common stock of $190.60 for options granted in 2009: (i) estimated cash flows from operating and investing activities growth rate of 3.7%, (ii) discount rate on estimated projected cash flows of 9.5%, and (iii) terminal cash flow multiple changing of 5.0. For 2009, the Company calculated the value of its common stock based on discounted cash flows less current debt. The Company used an independent valuation to estimate the fair value of the Company's stock for options granted in 2010 of $175.72.

Stock Option Awards

A summary of the activity of the Company's common stock option awards during the years ended December 31, 2009, 2010 and 2011 is as follows:

	2009		2010		2011	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding at beginning of year	3,150	$ 191.60	3,550	$ 201.55	4,475	$ 197.25
Granted	400	190.06	975	175.72	—	—
Exercised	—	—	—	—	—	—
Forfeited	—	—	(50)	148.15	—	—
Outstanding at end of year	3,550	$ 201.55	4,475	$ 197.25	4,475	$ 196.19

SOI Holdings, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

The following table provides the remaining contractual term of stock options outstanding at December 31, 2011:

	Outstanding Options			
	Number	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value
Outstanding	4,475	6.4	$196.19	$225
Exercisable	3,692	6.0	$199.99	$225

The weighted-average grant-date fair value of stock options vested in the years ended December 31, 2009, 2010 and 2011 was $263.90, $243.08 and $205.72, respectively.

Employee Stock-Based Compensation

Compensation cost for employee stock-based awards is based on the estimated grant-date fair value and is recognized over the vesting period of the applicable award on a straight-line basis. For the years ended December 31, 2009 and 2010, the Company issued employee stock-based awards in the form of stock options with a weighted average grant-date fair value of $81.73 and $71.58 per option, respectively.

The Company uses the Black-Scholes pricing model to determine the fair value of stock options. The determination of the fair value of stock-based payment awards on the date of grant is affected by the estimated stock price as well as assumptions regarding a number of complex and subjective variables. These variables include expected stock price volatility over the term of the awards, actual and projected employee stock option exercise behaviors, risk-free interest rates and expected dividends. The estimated grant-date fair values of the employee stock options were calculated using the Black-Scholes valuation model, based on the following assumptions.

Expected Life

The expected life of six years for the 2009 and 2010 option was estimated using the Securities and Exchange Commission's Staff Accounting Bulletin (SAB) 110 "simplified" method.

Volatility

The Company is a private entity with no historical data regarding the volatility of its common stock. Accordingly, the expected volatility of 41% used for 2009 and 37% used for 2010 is based on volatility of similar entities, referred to as "guideline" companies. In evaluating similarity, the Company considered factors such as industry, stage of life cycle and size.

Risk-Free Interest Rate

The risk-free rate used of 2.38% for 2009 and 2.25% for 2010 is based on U.S. Treasury zero-coupon issues with remaining terms similar to the expected term on the options.

Dividend Yield

Although the Company paid a special cash dividend in December 2007 it does not expect to pay regular cash dividends in the foreseeable future, and, accordingly, used an expected dividend yield of zero in the valuation model.

SOI Holdings, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

Forfeitures

The Company estimates forfeitures at the grant date, and revise such estimates in subsequent periods if actual forfeitures differ from those estimates. The Company uses historical data to estimate pre-vesting option forfeitures and record stock-based compensation expense only for those awards that are expected to vest. All stock-based payment awards are amortized on a straight-line basis over the requisite service periods of the awards, which are generally the vesting periods. If the Company's actual forfeiture rate is materially different from its estimate, the stock-based compensation expense could be significantly different from what the Company has recorded in the current period.

As of December 31, 2009, 2010 and 2011, there was $86, $46 and $13, respectively, of total unrecognized compensation cost related to unvested common stock options. This cost will be recognized over the remaining weighted-average vesting period of approximately 0.6 years.

During the years ended December 31, 2009, 2010 and 2011, the Company recognized stock-based compensation expense of $202, $96 and $33, respectively. During the nine months ended September 30, 2011 and 2010, the Company recognized stock-based compensation expense of $27 and $173, respectively.

8. RELATED PARTY TRANSACTIONS

The Company has an annually renewable contract for consulting and advisory services with an affiliate of Clarion not to exceed $400 in any one calendar year plus out of pocket expenses. Costs (including out of pocket expenses) for these services are included in other operating expenses and totaled approximately $431, $426 and $422 during the years ended December 31, 2009, 2010 and 2011, respectively. Costs totaled approximately $317 and $313 (unaudited) during the nine months ended September 30, 2011 and 2012, respectively. These expenses are paid quarterly.

9. SUBSEQUENT EVENTS

Original issuance

The Company evaluated subsequent events through April 13, 2012, the date these financial statements were originally issued or available to be issued.

Subsequent issuance (unaudited)

The Company has also evaluated subsequent events through November 18, 2013, the date of reissuance of these financial statements. On October 24, 2012, TriNet Group, Inc. acquired 100% of the outstanding equity of SOI Holdings, Inc., the parent company of Strategic Outsourcing, Inc. The estimated acquisition date fair value of consideration transferred totaled $195.8 million.

Independent Auditor's Report

To the Members
Ambrose Employer Group, LLC

We have audited the accompanying consolidated financial statements of Ambrose Employer Group, LLC and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2011 and 2012, and the related consolidated statements of income, changes in members' equity and cash flows for each of the three years in the period ended December 31, 2012, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ambrose Employer Group, LLC and Subsidiary as of December 31, 2011 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012 in accordance with accounting principles generally accepted in the United States of America.

/s/ CohnReznick LLP

New York, New York
May 2, 2013

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Ambrose Employer Group, LLC and Subsidiary

CONSOLIDATED BALANCE SHEETS

(In thousands)

	December 31, 2011	December 31, 2012	June 30, 2013 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$353,921	$444,474	$ 62,193
Accounts receivable	1,087	742	1,446
Prepaid expenses and other current assets	1,792	1,183	893
Total current assets	356,800	446,399	64,532
Restricted cash	442	442	442
Equipment and leasehold improvements, net	446	627	891
Software costs, net of accumulated amortization of $1,657, $1,688, and $1,884	836	634	467
Intangible asset	50	50	50
Other assets	310	344	209
Totals	$358,884	$448,496	$ 66,591
Liabilities and Members' Equity			
Current liabilities:			
Payroll tax liabilities	$324,738	$395,814	$ 33,731
Accrued serviced employee benefits	8,883	11,081	5,974
Client deposits payable	10,228	20,084	13,410
Accounts payable and accrued liabilities	1,215	3,473	5,646
Total current liabilities	345,064	430,452	58,761
Deferred rent	124	145	126
Other long term liabilities	—	—	350
Total liabilities	345,188	430,597	59,237
Commitments and contingencies			
Members' equity	13,696	17,899	7,354
Totals	$358,884	$448,496	$ 66,591

See accompanying notes to consolidated financial statements.

Ambrose Employer Group, LLC and Subsidiary

CONSOLIDATED STATEMENTS OF INCOME

(In thousands)

	Years Ended December 31,			Six Months Ended June 30,	
	2010	2011	2012	2012	2013
				(unaudited)	
Gross revenues (includes gross billings in billions of $2.44, $2.69, $3.29, $1.47, and $1.82 less serviced employee wages of $2.24, $2.47, $2.97, $1.30 and $1.60)	$198,500	$245,049	$316,403	$160,169	$199,878
Direct costs					
Serviced employee benefits	89,967	120,215	157,301	75,429	98,753
Employment taxes	83,001	95,393	120,203	66,818	79,715
Other direct costs	816	740	1,046	479	(95)
	173,784	216,348	278,550	142,726	178,373
Net revenues	24,716	28,701	37,853	17,443	21,505
Operating expenses:					
Salaries, payroll taxes and employee benefits	9,083	10,915	14,026	6,519	11,772
General and administrative	3,354	4,258	5,069	2,967	4,179
Depreciation and amortization	264	318	274	131	177
Amortization of software costs	426	547	499	303	196
	13,127	16,038	19,868	9,920	16,324
Income from operations	11,589	12,663	17,985	7,523	5,181
Other income:					
Miscellaneous income	1	15	20	11	20
Interest income	16	10	3	1	2
	17	25	23	12	22
Income before income taxes	11,606	12,688	18,008	7,535	5,203
Provision for state and local income taxes	446	595	904	211	193
Net income	$ 11,160	$ 12,093	$ 17,104	$ 7,324	$ 5,010

See accompanying notes to consolidated financial statements.

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Ambrose Employer Group, LLC and Subsidiary

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

(In thousands)

	Years Ended December 31,			Six Months Ended June 30,
	2010	2011	2012	2013
				(unaudited)
Members' equity, January 1	$10,243	$ 12,603	$ 13,696	$ 17,899
Members' distributions	(8,800)	(11,000)	(12,901)	(15,555)
Net income	11,160	12,093	17,104	5,010
Members' equity, December 31	$12,603	$ 13,696	$ 17,899	$ 7,354
Membership units	20,211	20,211	20,211	20,211

See accompanying notes to consolidated financial statements.

Ambrose Employer Group, LLC and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Years Ended December 31,			Six Months Ended June 30,	
	2010	2011	2012	2012	2013
				(unaudited)	
Operating activities:					
Net income	$ 11,160	$ 12,093	$ 17,104	$ 7,324	$ 5,010
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Depreciation and amortization	264	318	274	131	177
Amortization of software costs	426	547	499	303	196
Deferred rent	(13)	(22)	21	21	19
Bad debt expense (recovery)	—	—	128	(8)	103
Changes in operating assets and liabilities:					
Accounts receivable	45	(568)	217	1,102	(704)
Prepaid expenses and other current assets	(817)	(418)	609	1,672	290
Other assets	(22)	(161)	(35)	(42)	135
Accounts payable and accrued liabilities	515	551	2,259	(327)	2,523
Accrued serviced employee benefits	(1,242)	828	2,198	8,948	(5,107)
Payroll tax liabilities	(80,233)	21,754	71,076	(294,712)	(362,083)
Client deposits payable	(366)	5,449	9,855	(469)	(6,674)
Net cash provided by (used in) operating activities	(70,283)	40,371	104,205	(276,057)	(366,115)
Investing activities:					
Purchases of equipment and leasehold improvements	(358)	(153)	(455)	(242)	(444)
Intangible asset acquisition	(50)	—	—	—	—
Software acquisition	(168)	(748)	(297)	(183)	(167)
Net cash used in investing activities	(576)	(901)	(752)	(425)	(611)
Financing activities:					
Members' distributions	(8,800)	(11,000)	(12,900)	(8,600)	(15,555)
Net cash used in financing activities	(8,800)	(11,000)	(12,900)	(8,600)	(15,555)
Net increase (decrease) in cash and cash equivalents	(79,659)	28,470	90,553	(285,082)	(382,281)
Cash and cash equivalents, beginning of period	405,110	325,451	353,921	353,921	444,474
Cash and cash equivalents, end of period	$325,451	$353,921	$444,474	$ 68,839	$ 62,193
Supplemental disclosure of cash flow data:					
Income taxes paid	$ 483	$ 597	$ 805	$ 428	$ 611

See accompanying notes to consolidated financial statements.

Ambrose Employer Group, LLC and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except per unit amounts)

NOTE 1—NATURE OF BUSINESS:

Ambrose Employer Group, LLC and its wholly-owned subsidiary, Ambrose Employer Group (USA) LLC (collectively the "Company"), are limited liability companies headquartered in New York. The Company is a Professional Employer Organization and provides small and medium sized businesses with an outsourcing solution to the complexities and costs related to employment and human resources. This solution includes a broad range of services including human resource administration, employment regulatory compliance management, workers compensation insurance administration, defined contribution plan, employee benefits, payroll tax administration and other employment-related services. The Company utilizes a comprehensive web-based human resources information system to support its internal staff, its clients' managers and serviced employees.

The Company provides such services by establishing a co-employer relationship with its clients and contractually assumes substantial employer responsibilities with respect to serviced employees ("Client Service Agreement"). While the Company becomes the legal employer for many purposes, and consequently, assumes a level of liability for the employment practices of its clients, each client remains in operational control of its respective business.

The Company's serviced employees for client companies are located throughout the United States.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES:

Principles of consolidation:

The accompanying consolidated financial statements include the accounts of Ambrose Employer Group, LLC and Ambrose Employer Group (USA) LLC. All significant intercompany accounts and transactions have been eliminated in consolidation.

Concentration of credit risk:

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist primarily of cash and cash equivalents, restricted cash, and accounts receivable. The Company considers all highly liquid debt instruments with an original maturity of three months or less when purchased to be cash equivalents. The Company maintains its cash and cash equivalents and restricted cash with high-credit quality financial institutions. At times, such amounts may exceed Federally insured limits. At December 31, 2012, the Company had uninsured cash and cash equivalents and restricted cash balances of $22,116.

Accounts receivable result from the underfunding of payroll from certain of the Company's clients. However, concentrations of credit risk with respect to accounts receivable is limited as client customers generally are required to maintain the appropriate amounts of funds to cover all payroll and payroll tax liabilities for the pay period. The Company does not need to provide for an allowance for doubtful accounts since receivables generated from a shortage is generally recouped in the following payroll cycle.

Equipment and improvements:

Equipment and improvements are stated at cost, net of accumulated depreciation and amortization. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets, generally ranging from three to nine years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or lease term.

Ambrose Employer Group, LLC and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per unit amounts)

Software costs:

Software costs are stated at cost and amortization is computed on a straight-line basis over the estimated life of three years starting from the date of implementation.

Intangible asset:

Intangible asset consists of a trade name with an indefinite life. The Company assesses the recoverability of the indefinite lived intangible asset on an annual basis, or more frequently if events and circumstances indicate that the asset might be impaired. If indicators of impairment are present and the undiscounted cash flows estimated to be generated by that asset are less than the asset's carrying amount an impairment charge would be recorded. If the asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. The Company completed its annual impairment analysis during the years ended December 31, 2011 and 2012 and determined that no impairment charges were required.

Income taxes:

The Company is a limited liability company and is not subject to Federal or state income taxes. The Company is subject to New York City and various other states' equivalent of the unincorporated business tax. Such taxes are included in the provision for state and local income tax. Income taxes payable by the individual members, based on their respective shares of the Company's income, have not been reflected in the accompanying consolidated financial statements.

The Company has no unrecognized tax benefits at December 31, 2011 and 2012. The Company's Federal, state and city income tax returns prior to fiscal year 2009 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If applicable, the Company recognizes interest and penalties associated with tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the consolidated balance sheets.

Revenue and direct cost recognition:

The Company recognizes service fees when the related services are performed. The Company recognizes as revenues its service fees. Additionally, the Company includes employment taxes and employee benefits in its gross revenues due to the assumption of significant contractual rights and obligations associated with being the co-employer of its serviced employees.

The Company's direct payroll costs associated with its revenue generating activities are comprised of all costs related to the serviced employees, including the employer portion of payroll-related taxes and serviced employees' benefits such as health insurance plan premiums and workers' compensation insurance premiums at the end of each pay period. Consistent with its revenue recognition policy, the Company's direct costs do not include the salaries and wages of its serviced employees. The Company generally requires its clients to prepay all amounts due under its client service agreement or to provide the Company with an alternative security agreement.

Estimates:

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Ambrose Employer Group, LLC and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per unit amounts)

Fair value of financial instruments:

The Company's material financial instruments at December 31, 2011 and 2012 for which disclosure of estimated fair value is required by accounting standards, consist of cash and cash equivalents, restricted cash, accounts receivable, payroll tax liabilities, accrued serviced employee benefits, client deposits payable and accounts payable.

The fair value of cash and cash equivalents and restricted cash approximates fair value due to the short-term maturity of these instruments. The fair value of accounts receivable, payroll tax liabilities, accrued serviced employee benefits, client deposits payable and accounts payable are estimated to be equal to their respective carrying values due to the short-term nature of such instruments. The fair value of client deposits is the amount payable on demand at the reporting date.

Deferred rent:

The Company's lease agreements provide for scheduled rent increases during the lease term or for rental payments commencing at a date other than initial occupancy. Provision has been made for the excess of operating lease rental expense, computed on a straight-line basis over the lease term, over cash rentals paid.

Subsequent events:

The Company has evaluated events and transactions for potential recognition or disclosure through May 2, 2013, which is the date the financial statements were available to be issued.

NOTE 3—RESTRICTED CASH:

Restricted cash consists of the following:

	December 31,		June 30,
	2011	2012	2013
			(unaudited)
Certificate of deposit securing a lease	$ 192	$ 192	$ 192
Certificate of deposit securing standby letter of credit with insurance carrier	250	250	250
Totals	$ 442	$ 442	$ 442

NOTE 4—EQUIPMENT AND LEASEHOLD IMPROVEMENTS:

	December 31,		June 30,
	2011	2012	2013
			(unaudited)
Machinery and equipment	$1,596	$1,960	$ 1,521
Furniture and fixtures	285	376	269
Leasehold improvements	181	181	168
	2,062	2,517	1,958
Less accumulated depreciation and amortization	1,616	1,890	1,067
Totals	$ 446	$ 627	$ 891

Ambrose Employer Group, LLC and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per unit amounts)

Depreciation and amortization expense for the years ended December 31, 2010, 2011 and 2012 amounted to approximately $264, $318 and $274, respectively. Depreciation and amortization expense for the six months ended June 30, 2012 and 2013 amounted to approximately $131 and $177 (unaudited), respectively.

NOTE 5—WORKERS COMPENSATION:

The Company maintains deposits with its insurance carriers to cover certain costs of its workers compensation plans. Pursuant to these plans, the Company is responsible for each claim up to the deductible amount of $350 and $4,250 (unaudited) in the aggregate for the policy year expiring June 30, 2014. The required deposits secure potential future claims within the plans' deductibles and other potential costs associated with administrating the plans. At December 31, 2011 and 2012 the Company had two plans and deposits with the insurance carriers totaling $372. These deposits are included in other assets in the financial statements.

In addition, the Company has a standby letter of credit, secured by a certificate of deposit (see Note 3) of the same amount, to the benefit of the current insurance carrier. The Company maintains a reserve for estimated future workers compensation claims in accounts payable and accrued liabilities. Approximately $524, $106, and $481 (unaudited) was included as of December 31, 2011 and 2012 and June 30, 2013, respectively.

NOTE 6—CLIENT DEPOSITS PAYABLE:

These are deposits pursuant to the Client Service Agreement between the Company and its clients. The deposits are generally equal to ten percent of the clients' average invoice amounts and can be used by the Company to satisfy any amounts due under the Client Service Agreement.

NOTE 7—LEASE COMMITMENTS:

The Company's New York City office space is leased under the terms of an operating lease that expires December 2014. The Company is amortizing rent escalations by the straight-line method over the lease term. In addition to rent, the Company is responsible for its proportionate amount of base operating expenses and real estate taxes as defined in the lease. In 2011, the Company signed a lease agreement in Connecticut with a lease term of two years starting on February 1, 2011 and terminated January 31, 2013. On January 31, 2013, the Company signed a new lease agreement in Connecticut with a lease term of 38 months commencing on February 1, 2013. The Company also signed a new lease agreement in New Jersey with a lease term of ten-and-a-half years starting on February 1, 2012. Rent expense amounted to $507, $560 and $774 for the years ended December 31, 2010, 2011 and 2012 respectively. Rent expense amounted to $363 and $496 (unaudited) for the six months ended June 30, 2012 and 2013, respectively.

The future minimum annual rental payments under these leases are as follows:

Years ending December 31,	2013	$ 680
	2014	686
	2015	278
	2016	162
	2017	129
	Thereafter	625
Total		$2,560

NOTE 8—EMPLOYEE BENEFIT PLAN:

The Company maintains a multiple employer defined contribution plan, which covers serviced employees for client companies electing to participate in the plan and for its internal staff employees. The Company

contributes, on behalf of each participating client, varying amounts based on the clients' policies and serviced employee elections. The Company contributed approximately $8,993, $14,038 and $16,033 for the years ended December 31, 2010, 2011 and 2012, respectively, for serviced employees. The Company contributed approximately $12,025 and $15,418 (unaudited) for the six months ended June 30, 2012 and 2013, respectively, for serviced employees. These amounts were invoiced to client companies and costs are included in direct costs. The Company contributed approximately $101, $120 and $135 for the years ended December 31, 2010, 2011 and 2012, respectively, for its internal staff employees and these costs are included in operating expenses. The Company contributed approximately $99 and $132 (unaudited) for the six months ended June 30, 2012 and 2013, respectively, for its internal staff employees.

NOTE 9—APPRECIATION UNITS OPTION PLAN:

Pursuant to the Company's option plan, upon exercise, the option holder receives Appreciation Units equal to the number of options exercised. The Appreciation Units are entitled to an allocation of gain in the event the Company is sold and are convertible to voting common shares if the Company converts to a corporation.

The Company has made 1,000,000 units available for purposes of this plan. The Company will record compensation expense as the contingent events become probable.

On June 1, 2012, a grant for 100,000 options was awarded. The exercise price of the options is $5.93 per unit with 20% of options vesting on June 1, 2013 and the remaining 80% vesting 20% per year until June 1, 2017. The option award has a ten-year term which expires on June 1, 2021.

On April 1, 2009, a grant for 150,000 options was awarded. The exercise price of the options is $5.00 per unit with 20% of options vesting on March 31, 2010 and the remaining 80% vesting 20% per year until March 31, 2014. The option award has a ten-year term which expires on March 31, 2019.

On August 1, 2008, a grant for 150,000 options was awarded. The exercise price of the options is $5.00 per unit with 50% of options vesting on January 1, 2011 and the remaining 50% vesting on January 1, 2013. The option award has a nine-year term which expires on July 31, 2017. During 2010, these options were cancelled following the termination of the employee.

Two different grants were awarded on January 1, 2007. One grant was for 100,000 options and has an exercise price of $1.25 per unit and vested immediately upon issuance. Due to the termination of an employee in 2011, 50,000 of these options have been terminated leaving 50,000 outstanding. The exercise price was equal to the Company's fair value of its membership units at the date of the grant. The other award was for 300,000 options and has an exercise price of $2.00 per unit and vests on a graded vesting schedule of 20% per year starting January 1, 2008 and ending on January 1, 2012. As mentioned above, due to the termination of an employee, 150,000 of these options have been terminated. Both option awards have a ten-year term which expires on December 31, 2016.

Ambrose Employer Group, LLC and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per unit amounts)

The Appreciation Units option transactions are summarized as follows for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013:

	Option Plan	Weighted Average Exercise Price	Weighted Average Contractual Life Remaining (years)
Options outstanding at January 1, 2010	700,000	$ 3.18	
Cancelled in 2010	(150,000)	$ (5.00)	
Options outstanding at December 31, 2010	550,000	$ 2.68	6.61
Cancelled in 2011	(200,000)	$ (1.81)	
Options outstanding at December 31, 2011	350,000	$ 3.18	5.96
Granted in 2012	100,000	$ 5.93	
Options outstanding at December 31, 2012	450,000	$ 3.79	5.75
Granted in 2013 (unaudited)	—	—	
Options outstanding at June 30, 2013 (unaudited)	450,000	$ 3.79	5.75
Vested options outstanding:			
At December 31, 2010	310,000	$ 2.05	6.29
At December 31, 2011	230,000	$ 2.62	5.76
At December 31, 2012	290,000	$ 2.80	4.93
At June 30, 2013 (unaudited)	315,000	$ 3.01	4.16

The Appreciation Units were paid and settled in June 2013 for $4,394 (unaudited).

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

On October 24, 2012, TriNet Group, Inc. (the "Company") acquired 100% of the outstanding equity of SOI Holdings, Inc. ("SOI"), the parent company of Strategic Outsourcing, Inc. The acquisition date fair value of the consideration transferred was $195.8 million. On July 1, 2013, we acquired 100% of the outstanding equity of Ambrose Employer Group, LLC ("Ambrose"). The acquisition date fair value of the consideration transferred was approximately $190.9 million. Each of these acquisitions were funded with borrowings as described below.

In October 2012, the Company completed an amendment and restatement of its March 2012 credit facility to provide for two new tranches of term loans totaling $300.0 million and a five-year revolving credit facility of $50.0 million, of which $197.6 million was used to fund the acquisition of SOI. In April 2013 in connection with the acquisition of Ambrose, the Company amended the amended and restated credit facility to provide for an additional $150.0 million of term loans. The Company capitalized loan fees of $10.8 million associated with the October 2012 amended and restated credit facility and $2.6 million associated with the April 2013 amendment of the amended and restated credit facility.

The unaudited pro forma combined financial information set forth below gives effect to (a) the completion of the SOI acquisition and the amendment and restatement to the initial credit facility, actually completed on October 24, 2012, in each case as if they occurred on January 1, 2012 for income statement purposes, and (b) the completion of the Ambrose acquisition actually completed on July 1, 2013 and amendment of the amended and restated credit facility actually completed in April 2013, as if they occurred on January 1, 2012 for income statement purposes. The unaudited pro forma information below should be read in conjunction with the financial statements of TriNet, Ambrose and SOI and Management's Discussion and Analysis of Financial Condition and Results of Operations, all of which are included in this prospectus.

UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS

(In thousands, except share and per share data)

	Year Ended December 31, 2012						
	TriNet Group, Inc. (a)	SOI (January 1, 2012 to September 30, 2012) (a)	SOI (October 1, 2012 to October 23, 2012) (a)	Pro Forma Adjustments	Ambrose	Pro Forma Adjustments	Pro Forma Consolidated
Revenues	$ —	$ 322,912	$ 27,650	$ (350,562)(b)	$ 316,403	$ (316,403)(b)	$ —
Professional service revenues	148,233	—	—	57,600(b)	—	22,261(b)	228,094
Insurance service revenues	870,828	—	—	137,028(b)	—	188,926(b)	1,196,782
Total revenues	1,019,061	322,912	27,650	(155,934)	316,403	(105,216)	1,424,876
Costs and operating expenses:							
Cost of services	—	265,387	19,827	(285,214)(b)	278,550	(278,550)b)	—
Insurance costs	750,025	—	—	127,930(b)	—	173,334(b)	1,051,289
Cost of providing services (exclusive of depreciation and amortization of intangible assets)	63,563	—	—	16,233(b)	—	3,397(b)	83,193
Selling, general and administrative expense	—	37,577	2,975	(40,552)(b)	—	—	—
Salaries, payroll taxes and employee benefits	—	—	—	—	14,026	(14,026)(b)	—
Sales and marketing	59,931	—	—	18,852(b)	—	3,987(b)	82,770
General and administrative	37,879	—	—	7,022(b)	5,069	4,061(b)	51,099
				(2,182)(d)			
				(750)(e)			
Systems development and programming costs	16,718	—	—	1,689(b)	—	2,581(b)	20,988
Amortization of intangible assets	17,441	—	—	27,803(f)	—	21,508(f)	66,752
Depreciation	11,676	1,764	143	—	773		14,356
Other	—	1,647	246	(1,893)(b)	—	—	—
Total costs and operating expenses	957,233	306,375	23,191	(131,062)	298,418	(83,708)	1,370,447
Operating income	61,828	16,537	4,459	(24,872)	17,985	(21,508)	54,429
Other income (expense):							
Interest expense	(9,709)	(3,225)	(272)	(5,781)(c)	—	(8,684)(h)	(27,671)
Other, net	57	—	—	—	23	—	80
Income before provision for (benefit from) income taxes	52,176	13,312	4,187	(30,653)	18,008	(30,192)	26,838
Provision for (benefit from) income taxes	20,344	4,843	1,991	(11,963)(g)	904	(5,655)(g)	10,464
Net income	$ 31,832	$ 8,469	$ 2,196	$ (18,690)	$ 17,104	$ (24,537)	$ 16,374
Net income per share attributable to common stockholders:							
Basic	$ 1.33						$ 0.68
Diluted	$ 1.26						$ 0.65
Weighted average shares used to compute net income per share attributable to common stockholders:							
Basic	4,902,692						23,935,546
Diluted	6,238,046						25,270,900

UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS

(In thousands, except share and per share data)

	Nine Months Ended September 30, 2013			
	TriNet Group, Inc.	Ambrose	Pro Forma Adjustments	Pro Forma Consolidated
Service revenues	$ —	$ 199,878	$ (199,878)(b)	$ —
Professional service revenues	195,642	—	13,022(b)	208,664
Insurance service revenues	959,246	—	91,818(b)	1,051,064
Total revenues	1,154,888	199,878	(95,038)	1,259,728
Costs and operating expenses:				
Cost of services	—	178,373	(178,373)	—
Insurance costs	858,862		83,335	942,197
Cost of providing services (exclusive of depreciation and amortization of intangible assets)	74,042	—	2,383(b)	76,425
Salaries, payroll taxes and employee benefits	—	11,772	(11,772)(b)	—
Sales and marketing	79,387	—	2,095(b)	81,482
General and administrative	39,821	4,179	5,124(b)	49,124
Systems development and programming costs	15,140	—	2,170(b)	17,310
Amortization of intangible assets	35,926	—	10,754(b)	46,680
Depreciation	8,908	373	—	9,281
Total costs and operating expenses	1,112,086	194,697	(84,284)	1,222,499
Operating income	42,802	5,181	(10,754)	37,229
Other income (expense):				
Interest expense	(32,091)	—	(2,738)(h)	(34,829)
Other, net	309	23	—	332
Income before provision for income taxes	11,020	5,204	(13,492)	2,732
Provision for income taxes	3,880	193	(3,111)(g)	962
Net income	$ 7,140	$ 5,011	$ (10,381)	$ 1,770
Net income per share attributable to common stockholders:				
Basic	$ 0.29			$ (0.07)
Diluted	$ 0.27			$ (0.07)
Weighted average shares used to compute net income per share attributable to common stockholders:				
Basic	5,750,789			24,783,643
Diluted	7,598,197			26,631,051

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

NOTE 1. BASIS OF PRESENTATION

The unaudited pro forma combined financial information gives effect to (a) the completion of the Ambrose acquisition, actually completed on July 1, 2013, and amendment of the amended and restated credit facility, actually completed in April 2013, as if they occurred on January 1, 2012 for income statement purposes, and (b) the completion of the SOI acquisition and the amendment and restatement of our initial credit facility, actually completed on October 24, 2012, in each case as if they occurred on January 1, 2012 for income statement purposes.

NOTE 2. PURCHASE PRICE ALLOCATIONS

The transactions have been accounted for as business combinations with the Company as the acquirer. The purchase price for each acquisition was allocated to tangible and identifiable intangible assets acquired and liabilities assumed based on the fair value at the date of purchase. Purchase price in excess of the identifiable assets and liabilities is recorded as goodwill. All acquisition related costs were expensed as incurred and recorded in operating expenses. The Company includes operations associated with acquisitions from the date of acquisition.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed from Ambrose at the acquisition date (in thousands):

Restricted cash	$ 442
WSE-related assets	57,366
Prepaid expenses and other current assets	893
Goodwill	97,647
Identifiable intangible assets	94,380
Property and equipment	1,358
Other noncurrent assets	878
WSE-related liabilities	(53,115)
Accrued corporate wages	(5,646)
Other current liabilities	(126)
Other noncurrent liabilities	(350)
Consideration transferred	$193,727

NOTE 3. PRO FORMA ADJUSTMENTS

(a) The Company completed the acquisition of SOI on October 24, 2012. Operating results of SOI for the period from October 24, 2012 to December 31, 2012 are included in the consolidated statement of operations of the Company for the year ended December 31, 2012. Amounts stated for SOI represent the results of operations for the unaudited interim period from January 1, 2012 to September 30, 2012 and the subsequent stub period from October 1, 2012 to October 23, 2012 prior to the date of acquisition by the Company.

(b) To reclassify certain line items to conform to the Company’s statements of operations for revenues, costs and operating expenses presentation.

(c) In connection with acquisition of SOI, the Company secured a $300 million loan in October 2012, of which $197.6 million was used to finance the acquisition. Assuming the acquisition and the loan were consummated on January 1, 2012, based on a 5.74% blended effective interest rate, incremental interest expense of $5.8 million would have been recognized for the year ended December 31, 2012.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION—(Continued)

(d) To eliminate legal and other professional services fees incurred by the Company and SOI directly associated with the acquisition transaction, as these are considered directly related to the transaction and are non-recurring.

(e) To eliminate retention bonuses paid to SOI's management prior to the acquisition, which were directly related to a change in management and are non-recurring.

(f) To recognize additional intangible amortization expense for the SOI customer list and trademarks acquired and the Ambrose customer list, trademarks, and compete agreements acquired as if SOI and Ambrose had been acquired on January 1, 2012.

(g) To record the income tax effect of the pro forma adjustments at the Company's estimated effective tax rate of 38.99% for the year ended December 31, 2012 and 35.20% for the nine months ended September 30, 2013.

(h) In connection with acquisition of Ambrose, the Company secured an additional $150.0 million loan in April 2013. Assuming the acquisition and the loan were consummated on January 1, 2012, based on a 5.74% blended effective interest rate, additional interest expense $8.7 million and $2.7 million have been recognized for the year ended December 31, 2012 and nine months period ended September 30, 2013, respectively.

Shares

Common Stock

J.P. Morgan	**Morgan Stanley**	**Deutsche Bank Securities**
Jefferies	**Stifel**	**William Blair**

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses, other than the underwriting discounts and commissions, payable in connection with the sale and distribution of the securities being registered. All amounts are estimated except the SEC registration fee, the FINRA filing fee and the listing fee. Except as otherwise noted, all the expenses below will be paid by us.

SEC registration fee	$ 32,200
FINRA filing fee	38,000
initial listing fee	*
Legal fees and expenses	*
Accounting fees and expenses	*
Printing and engraving expenses	*
Transfer agent and registrar fees and expenses	*
Blue sky fees and expenses	*
Miscellaneous fees and expenses	*
Total	$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act of 1933, as amended, or the Securities Act. Our amended and restated certificate of incorporation to be in effect upon the completion of this offering provides for indemnification of our directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law, and our amended and restated bylaws to be in effect upon the completion of this offering provide for indemnification of our directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law.

We have entered into indemnification agreements with our directors and officers, whereby we have agreed to indemnify our directors and officers to the fullest extent permitted by law, including indemnification against expenses and liabilities incurred in legal proceedings to which the director or officer was, or is threatened to be made, a party by reason of the fact that such director or officer is or was our director, officer, employee or agent, provided that such director or officer acted in good faith and in a manner that the director or officer reasonably believed to be in, or not opposed to, the our best interest. At present, there is no pending litigation or proceeding involving any of our directors or officers regarding which indemnification is sought, nor are we aware of any threatened litigation that may result in claims for indemnification.

We maintain insurance policies that indemnify our directors and officers against various liabilities arising under the Securities Act and the Securities Exchange Act of 1934, as amended, that might be incurred by any director or officer in his or her capacity as such.

The underwriters are obligated, under certain circumstances, pursuant to the underwriting agreement to be filed as Exhibit 1.1 hereto, to indemnify us, our officers, our directors and the selling stockholders against liabilities under the Securities Act.

Item 15. Recent Sales of Unregistered Securities.

The following sets forth information regarding all unregistered securities issued and sold since January 1, 2010:

(a) From January 1, 2010 to November 19, 2013, we granted stock options to purchase an aggregate of 5,420,480 shares of common stock to employees, consultants and directors pursuant to our 2009 Equity Incentive Plan, having exercise prices ranging from $5.77 to $26.42 per share as of the date of grant. Of these options, 1,680,814 shares have been issued upon exercise thereof for cash consideration in the aggregate amount of $6.4 million, options to purchase 653,986 shares have been cancelled without being exercised and options to purchase 3,085,630 shares remain outstanding as of November 19, 2013.

The offers, sales and issuances of the securities described in Item 15(a) were deemed to be exempt from registration under the Securities Act under either (1) Rule 701 promulgated under the Securities Act as offers and sale of securities pursuant to certain compensatory benefit plans and contracts relating to compensation in compliance with Rule 701 or (2) Section 4(2) of the Securities Act as transactions by an issuer not involving any public offering. The recipients of securities in each of these transactions represented their intention to acquire the securities for investment only and not with view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the stock certificates and instruments issued in such transactions. All recipients had adequate access, through their relationships with us, to information about us.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Exhibit No.	Description of Exhibit
1.1*	Form of Underwriting Agreement.
2.1	Equity Purchase Agreement by and among TriNet Group, Inc., Ambrose Employer Group, LLC and Gregory Slamowitz, John Iorillo and Marc Dwek, dated July 1, 2013.
2.2	Agreement and Plan of Merger by and among TriNet Group, Inc., Champ Acquisition Corporation, SOI Holdings, Inc. and SOI Stockholder Representative, LLC, dated August 24, 2012.
2.3**	Agreement and Plan of Merger by and among TriNet Group, Inc., Gin Acquisition, Inc. and Gevity HR, Inc., dated March 4, 2009.
3.1	Amended and Restated Certificate of Incorporation of TriNet Group, Inc., as amended and as currently in effect.
3.2*	Form of Amended and Restated Certificate of Incorporation of TriNet Group, Inc., to be in effect upon the completion of this offering.
3.3	Amended and Restated Bylaws of TriNet Group, Inc., as currently in effect.
3.4*	Form of Amended and Restated Bylaws of TriNet Group, Inc., to be in effect upon the completion of this offering.
4.1*	Form of common stock certificate.
4.2	Amended and Restated Registration Rights Agreement, by and among TriNet Group, Inc., GA TriNet LLC and HR Acquisitions, LLC, dated June 1, 2009.
5.1*	Form of Opinion of Cooley LLP.
10.1	Amended and Restated 2000 Equity Incentive Plan.
10.2	Forms of Option Agreement and Option Grant Notice under the Amended and Restated 2000 Equity Incentive Plan.
10.3*	Amended and Restated 2009 Equity Incentive Plan.

Exhibit No.	Description of Exhibit
10.4*	Form of Option Agreement and Option Grant Notice under the Amended and Restated 2009 Equity Incentive Plan.
10.5*	Form of Restricted Stock Agreement and Restricted Stock Award Notice under the Amended and Restated 2009 Equity Incentive Plan.
10.6*	Form of Restricted Stock Unit Agreement and Restricted Stock Unit Award Notice under the Amended and Restated 2009 Equity Incentive Plan.
10.7*	2013 Employee Stock Purchase Plan, to be in effect upon completion of this offering.
10.8*	Form of Indemnification Agreement made by and between TriNet Group, Inc. and each of its directors and executive officers.
10.9*	Employment Agreement, dated November 9, 2009, between Burton M. Goldfield and TriNet Group, Inc.
10.10*	Employment Agreement, dated November 9, 2009, between Gregory Hammond and TriNet Group, Inc.
10.11*	Employment Agreement, dated August 23, 2010, between William Porter and TriNet Group, Inc.
10.12*	Employment Agreement, dated March 5, 2012, between John Turner and TriNet Group, Inc.
10.13	First Lien Credit Agreement, dated August 20, 2013, among TriNet HR Corporation, as borrower, TriNet Group, Inc., the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent.
10.14	Second Lien Credit Agreement, dated August 20, 2013, among TriNet HR Corporation, as borrower, TriNet Group, Inc., the lenders from time to time party thereto and Wilmington Trust, National Association, as administrative agent.
10.15	Creekside Plaza Office Lease between Creekside Associates, LLC and TriNet Group, Inc., dated April 24, 2001.
10.16	First Amendment to Creekside Plaza Office Lease between Creekside Associates, LLC and TriNet Group, Inc., dated June 21, 2012.
21.1	List of subsidiaries.
23.1*	Consent of Cooley LLP (included in Exhibit 5.1).
23.2	Consent of Ernst & Young LLP, independent registered public accounting firm.
23.3	Consent of PricewaterhouseCoopers LLP, independent accountants.
23.4	Consent of CohnReznick LLP, independent auditors.
24.1	Power of Attorney (see page II-5 to this registration statement).

* To be filed by amendment.

** Filed as Exhibit 2.1 to the current report on Form 8-K of Gevity HR, Inc. filed with the Securities and Exchange Commission on March 6, 2009 (file no. 000-22701) and incorporated herein by reference.

(b) Financial statement schedules.

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

(in thousands)	Balance at Beginning of Period	Credited/ Charged to Net Income	Balance Acquired	Charges Utilized/ Write-Offs	Balance at End of Period
Allowances for Doubtful Accounts and Authorized Credits					
Year ended December 31, 2010	830	1,356	—	(1,294)	892
Year ended December 31, 2011	892	521	—	(1,192)	221
Year ended December 31, 2012	221	805	335	(542)	819
Nine months ended September 30, 2013 (unaudited)	819	(99)	—	(584)	136
Tax Valuation Allowance					
Year ended December 31, 2010	1,400	(114)	—	(886)	400
Year ended December 31, 2011	400	31	—	—	431
Year ended December 31, 2012	431	(18)	1,399	(265)	1,547
Nine months ended September 30, 2013 (unaudited)	1,547	—	2,484	—	4,031

Item 17. Undertakings

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Leandro, State of California, on the 20th day of November, 2013.

TRINET GROUP, INC.

By: /s/ Burton M. Goldfield
Burton M. Goldfield
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Burton M. Goldfield, William Porter and Gregory L. Hammond, and each of them, as his true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him and in his name, place or stead, in any and all capacities, to sign any and all amendments to this Registration Statement (including post-effective amendments), and to sign any registration statement for the same offering covered by this Registration Statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act, and all post-effective amendments thereto, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their, his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Burton M. Goldfield Burton M. Goldfield	Chief Executive Officer (*principal executive officer*)	November 20, 2013
/s/ William Porter William Porter	Chief Financial Officer *(principal financial and accounting officer)*	November 20, 2013
/s/ H. Raymond Bingham H. Raymond Bingham	Director	November 20, 2013
/s/ Martin Babinec Martin Babinec	Director	November 20, 2013
/s/ Kenneth Goldman Kenneth Goldman	Director	November 20, 2013
/s/ David C. Hodgson David C. Hodgson	Director	November 20, 2013
/s/ Wayne B. Lowell Wayne B. Lowell	Director	November 20, 2013
Katherine August-deWilde	Director	November 20, 2013

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EXHIBIT INDEX

Exhibit No.	Description of Exhibit
1.1*	Form of Underwriting Agreement.
2.1	Equity Purchase Agreement by and among TriNet Group, Inc., Ambrose Employer Group, LLC and Gregory Slamowitz, John Iorillo and Marc Dwek, dated July 1, 2013.
2.2	Agreement and Plan of Merger by and among TriNet Group, Inc., Champ Acquisition Corporation, SOI Holdings, Inc. and SOI Stockholder Representative, LLC, dated August 24, 2012.
2.3**	Agreement and Plan of Merger by and among TriNet Group, Inc., Gin Acquisition, Inc. and Gevity HR, Inc., dated March 4, 2009.
3.1	Amended and Restated Certificate of Incorporation of TriNet Group, Inc., as amended and as currently in effect.
3.2*	Form of Amended and Restated Certificate of Incorporation of TriNet Group, Inc., to be in effect upon the completion of this offering.
3.3	Amended and Restated Bylaws of TriNet Group, Inc., as currently in effect.
3.4*	Form of Amended and Restated Bylaws of TriNet Group, Inc., to be in effect upon the completion of this offering.
4.1*	Form of common stock certificate.
4.2	Amended and Restated Registration Rights Agreement, by and among TriNet Group, Inc., GA TriNet LLC and HR Acquisitions, LLC, dated June 1, 2009.
5.1*	Form of Opinion of Cooley LLP.
10.1	Amended and Restated 2000 Equity Incentive Plan.
10.2	Forms of Option Agreement and Option Grant Notice under the Amended and Restated 2000 Equity Incentive Plan.
10.3*	Amended and Restated 2009 Equity Incentive Plan.
10.4*	Form of Option Agreement and Option Grant Notice under the Amended and Restated 2009 Equity Incentive Plan.
10.5*	Form of Restricted Stock Agreement and Restricted Stock Award Notice under the Amended and Restated 2009 Equity Incentive Plan.
10.6*	Form of Restricted Stock Unit Agreement and Restricted Stock Unit Award Notice under the Amended and Restated 2009 Equity Incentive Plan.
10.7*	2013 Employee Stock Purchase Plan, to be in effect upon completion of this offering.
10.8*	Form of Indemnification Agreement made by and between TriNet Group, Inc. and each of its directors and executive officers.
10.9*	Employment Agreement, dated November 9, 2009, between Burton M. Goldfield and TriNet Group, Inc.
10.10*	Employment Agreement, dated November 9, 2009, between Gregory Hammond and TriNet Group, Inc.
10.11*	Employment Agreement, dated August 23, 2010, between William Porter and TriNet Group, Inc.
10.12*	Employment Agreement, dated March 5, 2012, between John Turner and TriNet Group, Inc.
10.13	First Lien Credit Agreement, dated August 20, 2013, among TriNet HR Corporation, as borrower, TriNet Group, Inc., the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent.

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Exhibit No.	Description of Exhibit
10.14	Second Lien Credit Agreement, dated August 20, 2013, among TriNet HR Corporation, as borrower, TriNet Group, Inc., the lenders from time to time party thereto and Wilmington Trust, National Association, as administrative agent.
10.15	Creekside Plaza Office Lease between Creekside Associates, LLC and TriNet Group, Inc., dated April 24, 2001.
10.16	First Amendment to Creekside Plaza Office Lease between Creekside Associates, LLC and TriNet Group, Inc., dated June 21, 2012.
21.1	List of subsidiaries.
23.1*	Consent of Cooley LLP (included in Exhibit 5.1).
23.2	Consent of Ernst & Young LLP, independent registered public accounting firm.
23.3	Consent of PricewaterhouseCoopers LLP, independent accountants.
23.4	Consent of CohnReznick LLP, independent auditors.
24.1	Power of Attorney (see page II-5 to this registration statement).

* To be filed by amendment.

** Filed as Exhibit 2.1 to the current report on Form 8-K of Gevity HR, Inc. filed with the Securities and Exchange Commission on March 6, 2009 (file no. 000-22701) and incorporated herein by reference.

Exhibit 2.1

EQUITY PURCHASE AGREEMENT

dated as of

July 1, 2013

by and among

TRINET GROUP, INC.,

AMBROSE EMPLOYER GROUP, LLC

and

GREGORY SLAMOWITZ, JOHN IORILLO AND MARC DWEK

relating to the purchase and sale of

100% of the outstanding equity interests of

AMBROSE EMPLOYER GROUP, LLC

***

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Exhibit A Form of Escrow Agreement
Exhibit B Working Capital

Company Disclosure Schedule

Schedule I – Schedule of Equityholders/Allocation of Purchase Price

EQUITY PURCHASE AGREEMENT

This EQUITY PURCHASE AGREEMENT (this " Agreement "), dated as of July 1, 2013, is entered into by and among TriNet Group, Inc., a Delaware corporation (" Buyer "), Ambrose Employer Group, LLC, a New York limited liability company (the " Company "), and Gregory Slamowitz, John Iorillo and Marc Dwek (each a " Seller " and collectively the " Sellers "). The Company, the Sellers and Buyer are collectively referred to herein as the " Parties " and each individually as a " Party ."

W I T N E S S E T H:

WHEREAS, the Company and its Subsidiaries are engaged in professional employer or co-employer business and outsourced payroll services as a professional employer organization and associated or ancillary activities and services (the " Business ");

WHEREAS, the Sellers own beneficially and of record 100% of the outstanding equity interests of the Company (the " Equity Interests "); and

WHEREAS, upon the terms and subject to the conditions hereinafter set forth, Buyer desires to purchase from the Sellers, and the Sellers desire to sell to Buyer, all of the Equity Interests.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follow:

ARTICLE 1
DEFINITIONS

Section 1.01 Definitions . The following terms, as used herein, have the following meanings:

" Affiliate " means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person.

" Aggregate Purchase Price " means, collectively, the Closing Payment Amount together with the amount of the Escrow Distributions, if any.

" Ancillary Agreement " means the Escrow Agreement.

" Applicable Law " means, with respect to any Person, any federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

" Applicable Percentage " means, with respect to each Seller, the percentage of the Aggregate Purchase Price allocable to such Seller as set forth opposite such Seller's name on Schedule I .

" Business Day " means a day, other than Saturday, Sunday or other day on which commercial banks in San Francisco, California or New York, New York are authorized or required by Applicable Law to close.

" Closing Payment Amount " means an amount equal to $200,000,000 in cash, minus (a) any Indebtedness of the Company and/or any of its Subsidiaries as of the Closing, minus (b) any Transaction Expenses as of the Closing, (c) the Escrow Amount, minus (d) the amount, if any, by which Target Working Capital exceeds the Working Capital Estimate, plus (e) the amount, if any, by which the Working Capital Estimate exceeds Target Working Capital. The Aggregate Purchase Price is subject to further adjustment following the Closing in accordance with Section 2.5 hereof.

" Closing Working Capital " means, as of 11:59 p.m. (Pacific Time) on the date immediately preceding the Closing Date, the difference of Current Assets, minus Current Liabilities, without giving effect to any of the transactions contemplated hereby and determined in accordance with GAAP, supplemented to the extent consistent with GAAP by the accounting principles and practices of the Company consistently applied.

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

" Company Employee " means any employee of the Company or any of its Subsidiaries (excluding, for the avoidance of doubt, Worksite Employees) whose services relate exclusively to the business of the Company and/or its Subsidiaries and not to the business of any client of the Company or any of its Subsidiaries.

" Company Fundamental Representations " means the representations and warranties set forth in Sections 5.01 , 5.02 , 5.04 , and 5.16 .

" Company Intellectual Property " means the Intellectual Property owned by the Company or its Subsidiaries as of the Closing Date, including the Registered IP set forth on Schedule 5.13(a) of the Company Disclosure Schedule.

" Contract " means any contract, agreement, indenture, note, bond, loan, instrument, lease, conditional sales contract, mortgage or other arrangement, whether written or oral.

" Current Assets " means the sum, as of any date, of the consolidated current assets (including cash) of the Company and the Company's Subsidiaries, classified as current assets under GAAP as set out in Exhibit B .

" Current Liabilities " means as of any date, the consolidated current liabilities of the Company and the Company's Subsidiaries classified as current liabilities under GAAP as set out in Exhibit B .

" Damages " include any actual loss, damage, injury, liability, claim, demand, settlement, judgment, award, fine, penalty, fee (including reasonable attorneys' fees), charge, cost or expense; provided , however , that in no event shall Damages include any special or punitive

damages (other than special or punitive damages that are actually recovered by third parties in connection with a third-party claim), damages that are not reasonably foreseeable, or damages based upon a multiple of earnings or similar financial measure.

" Environmental Laws " means any Applicable Law or any agreement with any Governmental Authority, relating to human health and safety, the environment or to Hazardous Substances.

" Environmental Permits " means all permits, licenses, franchises, certificates, approvals and other similar authorizations of Governmental Authorities relating to or required by Environmental Laws and affecting, or relating in any way to, the Business, the Company or any of the Company's Subsidiaries.

" Entity Tax " means any Tax with respect to which the Company or any of the Company's Subsidiaries is subject to tax. For the avoidance of doubt, any Tax for which holders of equity interests in the Company are liable in their separate or individual capacities shall not be an Entity Tax.

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended and the rules and regulations promulgated thereunder.

" ERISA Affiliate " of any entity means any other entity which, together with such entity, would be treated as a single employer under Section 414 of the Code.

" Escrow Period " means the period beginning on the Closing Date and ending at 11:59 pm (Pacific Time) on the eighteen-month anniversary of the Closing Date.

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

" GAAP " means generally accepted accounting principles in the United States.

" Governmental Authority " means any transnational, domestic or foreign federal, state or local governmental authority, department, court, agency or official, including any political subdivision thereof.

" Hazardous Substances " means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substance, waste or material, or any substance, waste or material having any constituent elements displaying any of the foregoing characteristics, including petroleum, its derivatives, by-products and other hydrocarbons, and any substance, waste or material regulated under any Environmental Law.

" Indebtedness " means (i) any indebtedness for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money, (ii) any indebtedness evidenced by any note, bond, debenture or other debt security, (iii) any indebtedness for the deferred purchase price of property or services with respect to which a Person is liable, contingently or otherwise,

as obligor or otherwise, (iv) any contingent reimbursement Liability with respect to letters of credit or liability of a similar nature, (v) any indebtedness of the type described in the foregoing clauses (i) through (iv) guaranteed in any manner by a Person (including, without limitation, guarantees in the form of an agreement to repurchase or reimburse), (vi) any Liabilities under capitalized leases with respect to which a Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, (vii) any indebtedness of the type described in the foregoing clauses (i) through (iv) secured by a Lien on a Person's assets, and (viii) any accrued and unpaid interest on, and any prepayment premiums, penalties or similar contractual charges in respect of, any of the foregoing obligations computed as though payment is being made in respect thereof on the Closing Date.

" Indemnified Party " means Buyer, Sellers, the Company and each of their respective Affiliates, directors, officers, agents, employees, representatives, successors and assignees.

" Indemnified Taxes " means (i) any Taxes of the Company or any of its Subsidiaries with respect to any Pre-Closing Tax Period, (ii) any Taxes for which the Company or any of its Subsidiaries is held liable under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign law) by reason of the Company or such Subsidiary being (or ceasing to be) included in any consolidated, affiliated, combined or unitary group at any time on or before the Closing Date, (iii) any Taxes of Sellers and their Affiliates (other than the Company or any of its Subsidiaries) for any Tax period, (iv) any employment or other payroll Taxes arising in connection with payments to holders of options or any other compensation payments, in any such case occurring by reason of the transactions contemplated by this Agreement, and (v) any Liability for the payment of any amounts as a result of any obligation to indemnify any other Person, or any successor or transferee Liability, in respect of any of the items described in clauses (i), (ii), (iii) or (iv) above (other than pursuant to customary commercial contracts not primarily related to Taxes), except to the extent, in each case, that such Taxes described in clauses (i), (ii), (iii), (iv), or (v) above were taken into account as a Current Liability in the calculation of Closing Working Capital, provided in each case that Indemnified Taxes shall not include any Taxes relating to Worksite Employees or Tax matters addressed in Section 5.21(p) . With respect to any Straddle Period, the portion of such Taxes that relates to the Pre-Closing Tax Period shall be determined in the manner set forth in Section 8.04 .

" Indemnifying Party " means each Seller against whom indemnity is sought pursuant to this Agreement.

" Intellectual Property " means all intellectual property and proprietary and intellectual property rights in any jurisdiction, including (i) patents and patent applications, together with any renewals, reissues, reexaminations, extensions, continuations, continuations-in-part, divisions and substitutions thereto, (ii) trademarks, trade names, service marks, service names, trade dress, logos, slogans, and the goodwill associated therewith, (iii) works of authorship, copyrights and rights therein and equivalent thereto, (iv) databases and data collections (including knowledge databases, customer lists and customer databases) and rights therein, (v) computer software, including programs applications, source and object codes and documentation relating to the foregoing, and rights therein, (vi) trade secrets, know-how and confidential or

proprietary business information, and rights therein, (vii) domain names and rights therein, (viii) inventions (whether or not patentable) and improvements thereto, and rights therein, and (ix) all applications to register, registrations and renewals or extensions of the foregoing, and rights therein.

" IRS " means the United States Internal Revenue Service.

" K-1 Employees " means individuals that are subject to Schedule K-1 Tax reporting for whom payments are processed by the Company and who are permitted to participate in one or more Employee Plans, in each case pursuant to a Contract with the Company that is an Administrative Services and Partner Benefit Agreement or an Administrative Services and Member Benefit Agreement.

" Knowledge " of any Person that is not an individual means (i) with respect to Buyer, the actual knowledge of the Chief Executive Officer and Chief Financial Officer of Buyer and (ii) with respect to the Company and its Subsidiaries, the actual knowledge of each or any of the Sellers, Eric Foodim and Dave Zodikoff.

" Liability " means any liability, debt, obligation, deficiency, Tax, penalty, assessment, fine, claim, cause of action or other loss, fee, cost or expense of any kind or nature whatsoever, whether asserted or unasserted, absolute or contingent, known or unknown, accrued or unaccrued, liquidated or unliquidated, and whether due or to become due and regardless of when asserted.

" Lien " means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, encumbrance or other adverse claim of a similar nature in respect of such property or asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any property or asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such property or asset.

" Material Adverse Effect " means any result, occurrence, fact, change, event or effect (any such item, an " Effect "), individually or in the aggregate, that has had, or would reasonably be expected to have, a material adverse effect on the condition (financial or otherwise), business, assets, liabilities, capitalization or results of operations of the Company and its Subsidiaries, on a consolidated basis; provided , that that in no event shall any of the following Effects be deemed to constitute or be taken into account in determining whether there has been a Material Adverse Effect: (i) the announcement or pendency of this Agreement or transactions contemplated hereby, (ii) changes, developments or events generally affecting the economy in the United States or any foreign markets where the Company has material operations or sales, (iii) acts of God, calamities, national or international political or social conditions, including the engagement by any country in hostilities (whether commenced before, on or after the date of this Agreement) or the occurrence of any military or terrorist attack, (iv) changes in Applicable Law or GAAP (or any interpretation thereof), (v) any adverse effect resulting from or arising out of changes in general conditions in the industry in which the Company operates, or (vi) any failure by the Company to meet internal or other estimates or financial projections (it being understood that the

underlying events or circumstances giving rise to such failure that are not otherwise excluded from the definition of Material Adverse Effect may, if applicable, be taken into account in determining whether there has been a Material Adverse Effect); provided , further , that, in the case of clauses (ii), (iii), (iv) and (v) such Effect does not have a materially disproportionate negative effect on the Company and/or its Subsidiaries as compared to the other companies that operate in the same industry in which the Company or any of its Subsidiaries operates.

" Neutral Arbiter " means such other independent accounting firm as Sellers' Representative and Buyer mutually agree in writing; provided, if Buyer and the Sellers' Representative are unable to mutually agree upon such an accountant within a ten (10) day period, then Buyer and the Sellers' Representative shall each select a nationally recognized accountant and within five (5) days after their selection, those two accountants shall select a third nationally recognized accountant, which third accountant shall act as the Neutral Arbiter.

" Options " means options to acquire Ambrose Appreciation Units, granted under the Ambrose Employer Group Option Plan I, effective January 1, 2007.

" Ordinary Course of Business " means ordinary course of business of the Company and its Subsidiaries consistent with past practice.

" Organizational Documents " means, with respect to any Person (other than an individual), (i) the certificate or articles of association, incorporation or organization or limited partnership or limited liability company, and any joint venture, limited liability company, operating or partnership agreement and other similar documents adopted or filed in connection with the creation, formation or organization of such Person and (ii) all by-laws, voting agreements, agreements among holders of equity interests and similar documents, instruments or agreements, in each case, relating to the organization or governance of such Person, in each case, as amended or supplemented.

" Permitted Liens " means (i) Liens disclosed on the Current Balance Sheet, (ii) Liens for Taxes or governmental assessments, charges or claims the payment of which is not yet due and payable or that are being contested in good faith by appropriate proceedings and for which appropriate reserves have been established on the Current Balance Sheet in accordance with GAAP, (iii) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other similar Persons and other Liens imposed by Applicable Law and incurred in the Ordinary Course of Business for sums not yet delinquent or immaterial in amount or are being contested in good faith, provided adequate reserves in accordance with GAAP have been established on the Current Balance Sheet, (iv) pledges and deposits made in the Ordinary Course of Business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations or (v) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the Ordinary Course of Business and which are not material, (vi) defects or imperfections of title, easements, declarations, covenants, rights-of-way, restrictions and other charges, instruments or encumbrances affecting title to real estate that do not, individually or in the aggregate, materially impair the present use of the subject real

property, (vii) zoning ordinances, variances, conditional use permits and similar regulations, permits, approvals and conditions and (viii) Liens not created by the Company or any of its Subsidiaries that affect the underlying fee interest of any leased real property, including master leases or ground leases and any set of facts that an accurate up-to-date survey would show, provided , however, that (with respect to this clause (viii) only) any such item does not materially interfere with the ordinary conduct of the Business and (ix) non-exclusive licenses or other grants of rights to Intellectual Property (including by means of covenants not to sue).

" Person " means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Authority.

" Pre-Closing Tax Period " means any Tax period ending on or before the Closing Date and the portion of any Straddle Period ending on the Closing Date.

" Professional Employer Agreement " or " PEA " means a Contract between the Company or one of its Subsidiaries, on the one hand, and another Person, on the other, pursuant to which (i) the Company or one of its Subsidiaries agreements agrees to co-employ Worksite Employees, (ii) the employer responsibilities for Worksite Employees, including those of hiring, firing and disciplining are expressly allocated by and between the Company or one of its Subsidiaries, on the one hand, and such Person, on the other, in such Contract, and (iii) the Company or one of its Subsidiaries expressly assumes the rights and responsibilities required of professional employer organizations by statute (including, for the avoidance of doubt, any "Client Service Agreement" as between the Company or one of its Subsidiaries, on the one hand, and another Person, on the other).

" Property Taxes " means all real property Taxes, personal property Taxes and similar ad valorem Taxes.

" Registered IP " means all Intellectual Property rights that are registered, filed or issued under the authority of any Governmental Authority, including all patents, registered copyrights, registered trademarks, and domain names and all applications for any of the foregoing.

" Section 5.21(p) Survival Date " shall mean, with respect to any Tax that is subject to indemnification pursuant Section 10.02(a)(v) , the earlier of (a) September 15, 2016 and (b) three years after the timely filing of a Tax Return relating to such Tax.

" Seller Fundamental Representations " means the representations and warranties set forth in Sections 6.01 , 6.03 and 6.04 .

" Shrinkwrap License " means any nonexclusive software license or software-as-a-service agreement for non-customized software that is (i) generally available on standard terms for less than $100,000 per year; and (ii) not distributed by the Company or any Subsidiary.

" SSAE16 Opinion " means the SSAE No. 16 Report prepared by PricewaterhouseCoopers LLP for the Company for the period January 1, 2012 to December 31, 2012.

" Standard Customer License " means any nonexclusive rights granted to end user customers to access the Company's products and services in the Ordinary Course of Business pursuant to the Company's standard form of customer agreement.

" Straddle Period " means any Tax period beginning before or on and ending after the Closing Date.

" Subsidiary " means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person.

" Target Working Capital " means $4,500,000.

" Tax Return " means any report, declaration, return, information return, claim for refund, or statement relating to Taxes, including any transfer pricing reports, schedule or attachment thereto and any amendments thereof.

" Tax Sharing Agreements " means all existing agreements or arrangements (whether or not written) binding the Company or any of its Subsidiaries that provide for the allocation, apportionment, sharing or assignment of any Tax liability or benefit, or the transfer or assignment of income, revenues, receipts or gains for the purpose of determining any Person's Tax liability.

" Taxes " means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, escheat, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, ad valorem, value added, goods and services, alternative or add-on minimum or estimated tax or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.

" Taxing Authority " means any Governmental Authority responsible for the imposition or collection of any Taxes.

" Transaction Expenses " means the aggregate amount of all third-party expenses incurred by the Company, any of the Company's Subsidiaries or any of the Sellers at or prior to the Closing, regardless of when payable, for purposes of negotiation of this Agreement and assistance in connection with the completion of the transactions contemplated hereunder (excluding any fees of CohnReznick LLP in connection with CohnReznick LLP's reformatting or restatement of the Company's financial statements).

" Wellness Rebate Business " means Gregory Slamowitz's wellness rebate business conducted under the brand Wellness Rebates ™ and involving wellness and healthcare advisory services, the creation and management of outcomes-based wellness programs and associated healthcare insurance management and brokerage.

" Worksite Employees " means (i) employees of the Company pursuant to Professional Employer Agreements (excluding the Company Employees) and (ii) K-1 Employees.

(a) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Acquisition Proposal	4.05(b)
Agreement	Preamble
Audited Balance Sheet	5.06(a)
Audited Company Financial Statements	5.06(a)
Authorized Action	11.02(d)
Balance Sheet Date	5.06(a)
Basket Amount	10.03(a)
Business	Recitals
Buyer	Preamble
Claim Certificate	10.04(a)
Claim Dispute Notice	10.04(c)
Closing	2.02(a)
Closing Date	2.02(a)
Company	Recitals
Company Financial Statements	5.06(a)
Company Policies	5.14(a)
Confidential Information	11.01(a)
Continuing Employee	4.08(a)
Current Balance Sheet	5.06(a)
Determination Date	2.04(c)
Employee Plans	5.19(a)
Enforceability Exceptions	5.02
Estimated Claim Amount	10.04(a)(ii)
Escrow Account	2.03
Escrow Agent	2.03
Escrow Agreement	2.03
Escrow Amount	2.03
Escrow Distribution(s)	2.01
Equity Interests	Recitals
Final Closing Balance Sheet	2.04(b)
Final Working Capital	2.04(d)
Leased Real Property	5.12(c)
Leased Real Property Leases	5.12(c)

Term	Section
Material Contract(s)	5.09(a)
MER Indemnity	4.06(a)
Non-Compete Period	11.11(a)
Non-Solicitation Period	11.11(b)
Party(ies)	Preamble
Per Claim Worksite Basket	10.03(a)
Permits	5.15
Preliminary Closing Balance Sheet	2.04(a)
Proceeding	5.10
Refundable Taxes	8.06(a)
Released Matters	11.05(a)
Released Party(ies)	11.05(a)
Resolution Period	2.04(c)
Securities Act	7.06
Sellers	Preamble
Sellers' Representative	11.02(a)
Tax Proceeding	8.05(a)
Threshold Worksite Basket	10.03(a)
Transfer Taxes	8.02
Unaudited Company Financial Statements	5.06(a)
Working Basket	10.03(a)
Working Capital Estimate	2.04(a)

Section 1.02 Other Definitional and Interpretative Provisions . The words "hereof," "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation," whether or not they are in fact followed by those words or words of like import. "Writing," "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; provided that with respect to any agreement or contract listed on any

schedules hereto, all such amendments, modifications or supplements must also be listed in the appropriate schedule. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "law," "laws" or to a particular statute or law shall be deemed also to include any and all Applicable Law.

ARTICLE 2
PURCHASE AND SALE

Section 2.01 Purchase and Sale . On the terms and conditions of this Agreement, (a) at the Closing, Buyer hereby purchases from each Seller, and each Seller hereby sells, assigns, conveys and transfers to Buyer, all of the Equity Interests owned by such Seller as such ownership is set forth on Schedule I , free and clear of any Liens (other than any Liens created by Buyer), restrictions on transfer (other than any restrictions under the Securities Act and applicable state securities laws), options, warrants, calls, commitments, proxies or other contract rights and (b) in consideration of the sale of the Equity Interests, Buyer shall deliver to each Seller (i) on the Closing Date, by wire transfer of immediately available funds to such account as is designated by such Seller, an aggregate amount equal to such Seller's Applicable Percentage of the Closing Payment Amount and (ii) the amount, if any, distributable to such Seller in accordance with the terms of Section 10.09 (each, an " Escrow Distribution ," and, collectively, the " Escrow Distributions ").

Section 2.02 Closing Actions.

(a) Closing . The closing of the transactions contemplated by this Agreement (the " Closing ") shall take place at the offices of Cleary Gottlieb Steen & Hamilton LLP, One Liberty Plaza, New York City, commencing at 10:00 a.m. on the date hereof, or at such other place or on such other date as may be mutually agreeable to the Parties. The date of the Closing is herein referred to as the " Closing Date ".

(b) Closing Actions .

(i) Concurrently with the execution of this Agreement each Seller shall deliver to Buyer an executed assignment of equity interests, in a form reasonably acceptable to Buyer, pursuant to which such Seller will sell, assign, transfer and convey its Equity Interests to Buyer in exchange for the right to receive the consideration specified hereunder;

(ii) Buyer shall deliver to each of the Sellers the consideration specified in Section 2.01 to be delivered on the Closing Date in exchange for the Equity Interests held by such Seller as set forth on Schedule I ; and

(iii) The Company shall have possession or control of the originals of all corporate books and records of the Company and each of its Subsidiaries.

The Closing actions set out under clauses (i) and (ii) above shall be conditioned the one upon the other.

(c) On or prior to the Closing Date, the Sellers shall have delivered or caused to be delivered to Buyer, each of the following:

(i) the Ancillary Agreement duly executed by the Sellers;

(ii) certified copies of the Organizational Documents of the Company;

(iii) a certificate of the secretary of state of the jurisdiction in which the Company and each of its Subsidiaries was formed stating that the Company and each of its Subsidiaries is in good standing;

(iv) a certificate certifying that each Seller is not a foreign person for purposes of Code Section 1445 or that the purchase is otherwise exempt from withholding under Code Section 1445; and

(v) duly executed copies of each Option Repurchase Agreement representing the repurchase of all outstanding Options.

Section 2.03 Escrow Account . At the Closing, Buyer shall deliver to U.S. Bank National Association, as escrow agent (the "Escrow Agent"), under the escrow agreement dated the Closing Date, by and among Buyer, the Sellers' Representative, Marc Dwek and the Escrow Agent, substantially in the form of Exhibit A hereto (the " Escrow Agreement "), an amount equal to $20,000,000 (the " Escrow Amount "), which Escrow Amount shall be withheld from the Aggregate Purchase Price payable to the Sellers in respect of their Equity Interests in accordance with their respective Applicable Percentages. The Escrow Amount shall be held in an escrow account (the " Escrow Account ") in accordance with the terms of this Agreement and the Escrow Agreement and released and paid upon the termination of the Escrow Period in accordance with the terms of this Agreement and the Escrow Agreement. The Escrow Agreement will provide that the Escrow Amount will be used to satisfy certain claims for Damages made by an Indemnified Party pursuant to this Agreement.

Section 2.04 Working Capital Adjustment .

(a) The Sellers' Representative shall have delivered to the Buyer prior to the date hereof (a) an estimated consolidated balance sheet of the Company and its Subsidiaries (the " Preliminary Closing Balance Sheet ") certified by the Chief Financial Officer of the Company as setting forth his good faith best estimate of the assets and liabilities of the Company and its Subsidiaries on a consolidated basis as of immediately prior to the Closing, and (b) a certificate of the Chief Financial Officer of the Company setting forth in reasonable detail his computation based on the Preliminary Closing Balance Sheet of the amount of (i) the Closing Working Capital (the " Working Capital Estimate "), and (x) the resulting amount, if any, by which Target Working Capital exceeds the Working Capital Estimate or (y) the resulting amount, if any, by

which the Working Capital Estimate exceeds Target Working Capital, as applicable, and (ii) the Closing Payment Amount, in each case, in a form mutually agreed to by Buyer and the Sellers' Representative. The Preliminary Closing Balance Sheet shall be prepared in accordance with GAAP, supplemented to the extent consistent with GAAP by the accounting principles of the Company consistently applied. The Company will consult in good faith with the Buyer regarding the preparation of the Working Capital Estimate, the resulting Working Capital Overage or Working Capital Underage, if any, and the Closing Payment Amount.

(b) Promptly, but in any event within 90 days after the Closing, Buyer shall cause the Company to prepare and deliver (i) a consolidated balance sheet of the Company and its Subsidiaries as of immediately prior to the Closing (the " Final Closing Balance Sheet "), prepared in conformity with GAAP, supplemented to the extent consistent with GAAP by the accounting principles and practices of the Company consistently applied, and (ii) the calculation of the Closing Working Capital pursuant to the Final Closing Balance Sheet, prepared using GAAP, supplemented to the extent consistent with GAAP by the same accounting principles and practices as applied by the Company in preparing the Audited Balance Sheet and otherwise in accordance with Exhibit B .

(c) If the Sellers' Representative disagrees with Buyer's calculation of any of the Closing Working Capital, it shall notify Buyer of such disagreement in writing, setting forth in reasonable detail the particulars of such disagreement, within 30 days after its receipt of the Final Closing Balance Sheet. Following the Closing, Buyer shall provide the Sellers' Representative access to the records and employees of Buyer and the Company to the extent necessary for the review of the Final Closing Balance Sheet and shall cause the employees of Buyer and the Company and its Subsidiaries to cooperate with the Sellers' Representative in connection with its review of the Final Closing Balance Sheet and the Closing Working Capital; provided that such access shall be reasonably necessary and does not unreasonably disrupt the personnel and operations of Buyer or the Company or any of its Subsidiaries, as the case may be. In the event that the Sellers' Representative does not provide such a notice of disagreement to Buyer within such 30-day period, the Sellers' Representative shall be deemed to have accepted the Final Closing Balance Sheet and Buyer's calculation of the Closing Working Capital, which shall be final, binding and conclusive for all purposes hereunder. In the event any such notice of disagreement is timely provided, Buyer and the Sellers' Representative shall use commercially reasonable efforts for a period of 30 days (or such longer period as they may mutually agree) (the " Resolution Period "), to resolve any disagreements with respect to the Final Closing Balance Sheet or Buyer's calculation of the Closing Working Capital. If, at the end of the Resolution Period, they are unable to resolve such disagreements, then the Final Closing Balance Sheet along with the Sellers' Representative's notice of disagreement (both modified to reflect only unresolved disagreements) and a written response from Buyer to the Sellers' Representative's notice of disagreement (setting forth in reasonable detail the particulars of Buyer's disagreement) shall be submitted within 10 days after the last day of the Resolution Period to the Neutral Arbiter to resolve any remaining disagreements. Each of Buyer and the Sellers' Representative agrees to execute, if requested by the Neutral Arbiter, a customary engagement letter. The Neutral Arbiter shall determine as promptly as practicable, but in any event within 30 days of the date on which such dispute is referred to the Neutral

Arbiter, whether (and only with respect to the remaining disagreements submitted to the Neutral Arbiter) and to what extent (if any) the amount of the Closing Working Capital as determined in accordance with the terms of this Agreement requires correction; provided that the scope of the dispute to be resolved by the Neutral Arbiter shall be limited to whether the Final Closing Balance Sheet was prepared in conformity with GAAP using the same accounting principles and practices used by the Company in preparing the Preliminary Closing Balance Sheet, in accordance with the terms of this Agreement, and whether there were mathematical errors in the computation of the Closing Working Capital, and the Neutral Arbiter shall not make any other determination. In reaching its determination, the only alternatives available to the Neutral Arbiter will be to (i) accept the position of Buyer, (ii) accept the position of the Sellers' Representative or (iii) determine a position between those two positions. The Neutral Arbiter will determine the allocation of its costs and expenses based on the inverse of the percentage which its award (before such allocation) bears to the total amount of the total items in arbitration as originally submitted to it. Accordingly, by way of example, should the items in arbitration total in amount to $1,000 and the Neutral Arbiter awards $600 in favor of the Sellers' Representative's position, 60% of the costs and expenses would be assessed against Buyer and 40% of the costs and expenses would be assessed against the Sellers. The determination of the Neutral Arbiter shall be final, binding and conclusive. The date on which the amount of the Closing Working Capital is finally determined in accordance with this Section 2.04(c) (whether due to agreement by Buyer and the Sellers' Representative or a determination by the Neutral Arbiter in accordance with this Section 2.04(c)), is hereinafter referred as to the " Determination Date ."

(d) For the purposes of this Agreement, " Final Working Capital " means the Closing Working Capital, as finally agreed or determined in accordance with Section 2.04(b) . Upon the determination of the Final Working Capital pursuant to Section 2.04(b) , the Closing Payment Amount shall be recalculated utilizing the Final Working Capital in lieu of the Working Capital Estimate (the Closing Payment Amount as so recalculated, the " Final Closing Payment Amount "). If (and only if) the Final Closing Payment Amount exceeds the Closing Payment Amount, Buyer shall promptly (but in any event within five Business Days following the Determination Date) deliver to the Sellers' Representative the amount by which the Final Closing Payment Amount exceeds the Closing Payment Amount by wire transfer of immediately available funds to an account or accounts designated by the Sellers' Representative in writing. If (and only if) the Closing Payment Amount exceeds the Final Closing Payment Amount, then the Sellers shall promptly (but in any event within five Business Days following the Determination Date) deliver to Buyer a cash payment in the amount by which the Closing Payment Amount exceeds the Final Closing Payment Amount by wire transfer of immediately available funds to one or more accounts designated by Buyer in writing; provided , that Buyer may elect, in its sole discretion, to recover such amount (or any portion thereof) from the amount then available in the Escrow Account (and the Sellers' Representative shall take any and all actions necessary to cause the release of such funds from the Escrow Account). All payments made pursuant to this Section 2.04(d) shall be treated by all parties for tax purposes as adjustments to the purchase price. Upon payment of the amounts provided in this Section 2.04(d) , none of the parties hereto may make or assert any claim under this Section 2.04 .

Section 2.05 Withholding . Each of Buyer, the Escrow Agent and the Company (on behalf of Buyer) or any agent of any of the foregoing shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any Seller or any other Person such amounts as each of Buyer, the Escrow Agent and/or the Company or such agent is required to deduct and withhold under the Code, or any Tax law, with respect to the making of such payment. Buyer shall use commercially reasonable efforts to reduce or eliminate any such withholding including by requesting any appropriate Tax forms, including Form W-9 or the appropriate series of Form W-8, as applicable, or any similar information, from the Sellers. To the extent that amounts are so deducted and withheld, such amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of whom such deduction and withholding was made.

ARTICLE 3
[RESERVED]

ARTICLE 4
COVENANTS

Section 4.01 [Reserved] .

Section 4.02 [Reserved] .

Section 4.03 Commercially Reasonable Efforts . The Company and each Seller shall use commercially reasonable efforts to cause the Closing to occur.

(a) As promptly as practicable after the execution of this Agreement, each party to this Agreement (i) shall make all filings (if any) and give all notices (if any) reasonably required to be made and given by such party in connection with the transactions contemplated by this Agreement, (ii) shall use commercially reasonable efforts to obtain all consents (if any) required to be obtained (pursuant to any Applicable Law or Contract, or otherwise) by such party in connection with the transactions contemplated by this Agreement, (iii) give the other Parties prompt notice of the making or commencement of any request, inquiry, investigation, action or proceeding brought by a Governmental Authority or brought by a third party before any Governmental Authority, in each case, with respect to the transactions contemplated hereby, (iv) keep the other Parties reasonably informed as to the status of any such request, inquiry, investigation, action or proceeding and (v) promptly inform the other Parties of any communication to or from any Governmental Authority in connection with any such request, inquiry, investigation, action or proceeding.

(b) Each Party understands and agrees that the commercially reasonable efforts, as set forth in this Section 4.03 , are defined such that neither Buyer nor its Affiliates shall be required to, and the Company and the Sellers shall not agree to (without the consent of Buyer, which may be withheld in Buyer's sole and absolute discretion), negotiate, commit to or effect, by consent decree, order, hold separate orders or otherwise, the sale, divestiture or

disposition of such of its assets, properties or businesses or of the assets, properties or businesses to be acquired by it pursuant hereto or enter into any consent decree, order, accept any undertaking or condition, or otherwise take or to commit to take actions that would limit Buyer's, the Company's or their respective Affiliates' freedom of action with respect to, or ability to retain, any of their businesses, product lines or assets, or otherwise limit Buyer's ability to receive the full benefits of this Agreement.

Section 4.04 [Reserved] .

Section 4.05 [Reserved].

Section 4.06 Member and Officer Indemnification.

(a) Buyer agrees that for a period of seven (7) years after the Closing Date, Buyer shall not, and shall not permit the Company to; (i), amend, repeal or modify any provision in the Company's Organizational Documents relating to the exculpation or indemnification of any members, officers and managers (unless required by Applicable Law) or (ii) repeal, amend or modify the Indemnification Agreement (the " MER Indemnity ") dated as of October 15, 2012, between Greg Slamowitz and the Company as it relates to Greg Slamowitz's service as a member of the Investment Committee of the Ambrose Multiple Employer Retirement Savings Plan and its related trust.

(b) Effective as of the Closing and for a period of six (6) years thereafter, Buyer shall cause the Company to be provided with liability insurance coverage that is substantially similar to, or better than, the that provided by the Company as of the date of this Agreement.

Section 4.07 Additional Documents and Further Assurances . Each Party hereto, at the request of another Party hereto, shall execute and deliver such other instruments and do and perform such other acts and things as may be necessary or desirable for effecting completely the consummation of the transactions contemplated hereby.

Section 4.08 Employees.

(a) Buyer shall use commercially reasonable efforts to continue the employee benefit plans and human resource policies, plans, and arrangements for each Company Employee who is employed immediately prior to the Closing Date (each, a " Continuing Employee ") through September 30, 2013. With respect to any employee benefit plan or human resource policy, plan, or arrangement benefit, Buyer will credit Continuing Employees with their years of service for the Company and its Subsidiaries for purposes of eligibility, vesting and level of benefits.

(b) Nothing expressed or implied in this Section 4.08 shall confer upon any of the Continuing Employees, as third party beneficiaries or otherwise, any additional rights or remedies, including any additional right to employment, or continued employment for any specified period, of any nature or kind whatsoever under or by reason of this Agreement.

Notwithstanding anything in the Agreement to the contrary, no provision of this Agreement is intended to, or does, constitute the establishment or adoption of, or amendment to, any employee benefit plan (within the meaning of Section 3(3) of ERISA or otherwise) of the Company or Buyer, and no person participating in any such employee benefit plan maintained by either the Company or Buyer, shall have any claim or cause of action, under ERISA or otherwise, in respect of any provision of this Agreement as it relates to any such employee benefit plan or otherwise.

Section 4.09 Continuing Access. For a period of seven years following the Closing, Buyer shall cause the Company and each of its Subsidiaries to give Sellers' Representative and its representatives reasonable access during normal business hours to (and allow Sellers' Representative and its representatives to make copies of) any books and records and information relating to the Company for any reasonable purpose, including as may be necessary for: (a) preparation and review of Tax Returns which are the responsibility of Sellers or that pertain to Indemnified Taxes; (b) management and handling of any Tax audits and Tax disputes; (c) complying with any audit request, subpoena or other investigative demand by any Governmental Authority or (d) disputes regarding the performance of this Agreement including indemnification claims hereunder, but, in each case, excluding where (i) such books and records are created by the Company after the Closing or by Buyer and are related to or subject to a dispute between the Parties (except as otherwise provided in Section 2.04(c) or Tax filings made by the Company) or (ii) attorney-client privilege would be or would reasonably be expected to be impaired by such disclosure. The Persons provided such access shall treat any non-public information as confidential and shall not disclose such information to any third party (except as otherwise provided in Section 2.04(c) and Sections 11.01(a)(i) and 11.01(a)(ii)). The activities of Sellers' Representative and its representatives pursuant to this Section 4.09 shall be conducted in such a manner so as not to interfere unreasonably with the operation of the business of Buyer or the Company and its Subsidiaries and in no event will Buyer or the Company be required to furnish any documents or information that Buyer or the Company is required by order or Applicable Law to keep confidential, or that would jeopardize the status of such document or information as privileged. Buyer and the Company shall maintain all books and records of the Company and its Subsidiaries in their possession with respect to Tax matters relating to any Pre-Closing Tax Period of the Company and any of its Subsidiaries in the same or a substantially similar form as currently existing, until the date that is seven years after the Closing Date.

Section 4.10 Financial Reports . Buyer shall cause the Company to provide the Sellers as soon as practicable with the June, 2013 monthly financial package, in form and with content substantially similar to that customarily provided by the Company to the Sellers on a monthly basis prior to Closing.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND SELLERS

The Company and the Sellers shall provide a Company Disclosure Schedule setting forth any exceptions to, or any disclosures required by, this Article 5 and Article 6 . Any reference in a particular Section of the Company Disclosure Schedule shall only be deemed to be an exception

to (or, as applicable, a disclosure for purposes of) (a) the representations and warranties (or covenants, as applicable) that are contained in the corresponding Section of this Agreement and (b) any other representations and warranties that are contained in this Agreement, but only if the relevance of that reference as an exception to (or a disclosure for purposes of) such representations and warranties would be readily apparent on its face. Except as set forth in the Company Disclosure Schedule, the Company and each Seller, severally and not jointly, hereby represent and warrant to Buyer that the statements contained in this Article 5 are true and correct on the date of this Agreement and shall be true and correct on the Closing Date:

Section 5.01 Organization and Power . The Company is a limited liability company duly formed, validly existing and in good standing under the laws of the State of New York. The Company has all requisite corporate power and corporate authority to carry on the Business as now conducted in all material respects. The Company is qualified or registered to do business as a foreign corporation in each jurisdiction where the nature of its business or operations would require such qualification or registration, except for those jurisdictions where failure to be so qualified would have a Material Adverse Effect. The Company has heretofore delivered to Buyer complete and accurate copies of the Organization Documents of the Company as in effect on the date of this Agreement.

Section 5.02 Authorization . The Company has full power and authority to execute and deliver this Agreement and the Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby. The board of managers (or equivalent governing body) of the Company has duly approved this Agreement, and the Ancillary Agreement to which the Company is a party and has duly authorized the execution and delivery of this Agreement and the Ancillary Agreement to which it is a party and the consummation of the transactions contemplated hereby and thereby. No other Proceedings on the part of the Company are necessary to approve and authorize the execution and delivery of this Agreement or the Ancillary Agreement to which the Company is a party and the consummation of the transactions contemplated hereby and thereby. This Agreement and the Ancillary Agreement to which the Company is a party have been duly executed and delivered by the Company and constitute the valid and binding agreements of the Company, enforceable against the Company in accordance with their terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other Applicable Laws from time to time in effect relating to creditors' rights and remedies generally and general principles of equity (collectively, the " Enforceability Exceptions ").

Section 5.03 Noncontravention . The execution, delivery and performance of this Agreement and the Ancillary Agreement and the consummation of the transactions contemplated hereby and thereby by the Company and/or each Seller do not and shall not (a) conflict with or result in any breach of any of the terms, conditions or provisions of, (b) constitute a default under, (c) result in a violation of, (d) give any third party the right to modify, terminate or accelerate or cause the modification, termination or acceleration of, any obligation under, (e) result in the creation of any Lien upon the any of the Equity Interests or the assets of the Company, or (f) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any Governmental Authority, under (i) the provisions of

the Organizational Documents of the Company, (ii) any Contract to which the Company is bound or affected, (iii) any judgment, order or decree to which the Company is subject, except in the case of clause (ii) for conflicts, breaches, defaults, violations, rights, Liens, or requirements that would not have a Material Adverse Effect.

Section 5.04 Capitalization.

(a) Section 5.04 of the Company Disclosure Schedule accurately sets forth the outstanding Equity Interests. All of the outstanding Equity Interests have been duly authorized, are validly issued, fully paid and nonassessable, are not subject to, nor were they issued in violation of, any preemptive rights, rights of first refusal, or similar rights, and are owned of record and beneficially by the Sellers in the amounts as set forth on Section 5.04 of the Company Disclosure Schedule, free and clear of all options, warrants, calls, puts, rights to subscribe, conversion rights and other Liens. All of the outstanding Equity Interests were issued in compliance with all Applicable Laws and the Organizational Documents. Except for this Agreement, and as set forth in Section 5.04 of the Company Disclosure Schedule, there are no (i) outstanding or authorized options, warrants, equity appreciation, phantom equity, calls, puts, rights to subscribe, conversion rights or other agreements or commitments to which the Company is a party or which are binding upon the Company providing for the issuance, disposition or acquisition of any of its equity interests or any rights or interests exercisable therefor, (ii) change-of-control or similar payments under employment agreements which are triggered in whole or in part by the transactions contemplated by this Agreement and (iii) Liabilities of the Company or any of its Subsidiaries under deferred compensation plans, phantom equity plans, severance or bonus plans, or similar employment-related arrangements made payable in whole or in part as a result of the transactions contemplated by this Agreement. All Options were issued pursuant to the Option Plan and are listed in Section 5.04 of the Company Disclosure Schedule, including the name of the holder, the date of grant, the per unit exercise price, and the number of Ambrose Appreciation Units exercisable under each such Option, and any vesting acceleration provisions. The Options shall be repurchased prior to the Closing pursuant to an option repurchase agreement and shall be cancelled in full prior to Closing. The repurchase of the Options will have materially complied with the terms of the Option Plan, outstanding Option award agreements, the Organizational Documents of the Company and Applicable Law. There are no voting trusts, proxies or any other agreements or understandings with respect to the voting of the Equity Interests. The Company is not subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any of its Equity Interests.

(b) Except as set forth in Section 5.04(b) of the Company Disclosure Schedule, the Equity Interests owned by the Sellers (and set forth on Section 5.04 of the Company Disclosure Schedule) constitute 100% of the outstanding equity interests of the Company.

Section 5.05 Subsidiaries .

(a) All of the outstanding shares of capital stock of, or other equity interests in, the Subsidiaries (i) have been validly issued and are fully paid and non-assessable and (ii) are free and clear of any and all Liens other than Permitted Liens. All of the outstanding shares of capital stock (or equity interests of entities other than corporations) of each of the Subsidiaries are beneficially owned, directly or indirectly, by the Company. There are not outstanding, (x) any options, warrants, or other rights to purchase from any Subsidiary any shares of capital stock (or equity interests of entities other than corporations) of any Subsidiary, (y) any securities convertible into or exchangeable for shares of capital stock (or equity interests of entities other than corporations) of any Subsidiary, or (z) any other commitments of any kind for the issuance of shares of capital stock (or equity interests of entities other than corporations) or options, warrants, or other securities of any Subsidiary.

(b) Section 5.05(b) of the Company Disclosure Schedule sets forth a true and complete list of each Subsidiary and such Subsidiary's jurisdiction of incorporation or organization, the names of such Subsidiary's beneficial owners, and the number of outstanding shares of capital stock (or equity interests of entities other than corporations) held by such Subsidiary's beneficial owners. Except for the Subsidiaries, the Company does not directly or indirectly own any capital stock of, or other equity interest in, or any interest convertible into, or exercisable or exchangeable for, any capital stock of, or other equity interest in, any other Person. Each of the Company's Subsidiaries is a corporation, limited liability company, limited partnership or other legal entity, as applicable, validly existing and in good standing under the Laws of its jurisdiction of incorporation or formation, as applicable. Each of the Company's Subsidiaries has all requisite corporate, limited liability company, limited partnership or other organizational, as applicable, power and authority to own and operate its properties and to carry on its business as now conducted and presently proposed to be conducted. Each of the Company's Subsidiaries is legally qualified to transact business as a foreign corporation, limited liability company, limited partnership, or other legal entity, as applicable, in every jurisdiction in which its ownership of property or the conduct of its business as now conducted requires such qualification, except where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect. All jurisdictions in which the Company and each of its Subsidiaries are qualified to do business are set forth on Section 5.04(b) of the Company Disclosure Schedule. The Company has heretofore made available to Buyer complete and correct copies of the Organizational Documents for each of its Subsidiaries as in effect through (and including) the date hereof. None of the Company's Subsidiaries is in default under or in violation of any provision of its Organizational Documents and each of the Company's Subsidiaries is in compliance with its obligations to hold annual general meetings or assemblies and lodge its annual returns and other annually or otherwise recurring filings.

Section 5.06 Financial Statements.

(a) The Company has made available to Buyer and attached hereto as Section 5.06 of the Company Disclosure Schedule are: (i) the audited balance sheet (the " Audited Balance Sheet ") and the related statements of income of the Company as of and for each of the 12-month periods ended December 31, 2010, 2011 and 2012, respectively (the " Audited Company Financial Statements "), and (ii) the unaudited balance sheet and the related

statement of income of the Company as of and for the three-month period ended March 31, 2013 (the " Unaudited Company Financial Statements " and, together with the Audited Company Financial Statements, the " Company Financial Statements "). Except as set forth therein, the Company Financial Statements have been prepared in accordance with GAAP throughout the periods indicated therein (except that the Unaudited Company Financial Statements may not contain all of the notes required by GAAP), and present fairly, in all material respects, the financial position and results of operations of the Company, as of the respective dates and for the respective periods indicated therein (subject in the case of the Unaudited Company Financial Statements to normal year-end adjustments). The unaudited balance sheet of the Company as of March 31, 2013 shall be referred to in this Agreement as the " Current Balance Sheet " and the date thereof shall be referred to in this Agreement as the " Balance Sheet Date ."

(b) The Company and each of its Subsidiaries has established and maintains, adheres to and enforces a system of internal accounting controls which are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements (including the Company Financial Statements), in accordance with GAAP. To the Knowledge of the Company, there is no (i) significant deficiency or material weakness in the system of internal accounting controls utilized by the Company and its Subsidiaries, or (ii) fraud that involves the Company's management or other Company Employees who have a role in the preparation of financial statements or the internal accounting controls utilized by the Company and its Subsidiaries.

(c) The organizational records of the Company and each of its Subsidiaries have been made available to Buyer and accurately and fairly reflect all material organizational actions and proceedings of such entities and their members and board of managers (or equivalent governing body) and all issuances, transfers and redemptions of equity interests of the Company and each of its Subsidiaries.

Section 5.07 Absence of Certain Changes . Since December 31, 2012, and except as contemplated by this Agreement or set forth in Section 5.07 of the Company Disclosure Schedule, each of the Company and its Subsidiaries has conducted its business only in the Ordinary Course of Business and neither the Company nor any of its Subsidiaries has:

(a) suffered a Material Adverse Effect;

(b) suffered any theft, damage, destruction or casualty loss in excess of $50,000 in the aggregate to its assets, whether or not covered by insurance;

(c) redeemed or repurchased, directly or indirectly, any equity security or declared, set aside or paid any dividends or made any other distributions (whether in cash or in kind) with respect to any of its equity securities;

(d) issued, sold or transferred any notes, bonds or other debt securities, any equity securities, any securities convertible, exchangeable or exercisable into its equity securities, or options or other rights to acquire its equity securities;

(e) borrowed any amount or incurred or become subject to any Indebtedness or other Liabilities, except Current Liabilities incurred in the Ordinary Course of Business and not constituting Indebtedness;

(f) discharged or satisfied any Lien or paid any Liability (other than Liabilities paid in the Ordinary Course of Business), prepaid any amount of Indebtedness or subjected any portion of its properties or assets to any Lien other than Permitted Liens;

(g) sold, leased, licensed, assigned or transferred (including, without limitation, transfers to Sellers or any Insider) any of its tangible or intangible assets (including Intellectual Property, except for non-exclusive licenses to customers in the Ordinary Course of Business) other than in the Ordinary Course of Business or disposals of obsolete or superfluous assets;

(h) entered into, amended or terminated any Material Contract or entered into any other material transaction, other than in the Ordinary Course of Business, or materially changed any business practice;

(i) made or granted any bonus or any wage, salary or compensation increase to any director, officer, Company Employee, sales representative or consultant or made or granted any increase in any employee benefit plan or arrangement, or amended or terminated any existing employee benefit plan or arrangement or adopted any new employee benefit plan or arrangement, other than, in each case, in the Ordinary Course of Business;

(j) made any grant or commitment to grant any retention, severance or termination payment to any current or former director, officer, Company Employee or consultant;

(k) made any other change in employment terms for any of its directors, officers, and Company Employees, other than in the Ordinary Course of Business;

(l) conducted its cash management customs and practices other than in the Ordinary Course of Business (including, without limitation, with respect to maintenance of working capital balances, and reserves, collection of accounts receivable, payment of accounts payable, accrued liabilities and other Liabilities and credit policies);

(m) made or changed any election, changed an annual accounting period, adopted or changed any accounting method, filed any material amended Tax Return, entered into any closing agreement, settled any material Tax claim or assessment relating to the Company or such Subsidiary, surrendered any right to claim a material refund of Taxes, consented to any extension or waiver of the limitation period applicable to any material Tax claim or assessment relating to the Company or any of its Subsidiaries, or taken any other similar action, or omitted to take any action relating to the filing of any material Tax Return or the payment of any material Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action or omission would have the effect of materially increasing the present or future Tax liability or decreasing the value of any present or future Tax

asset of the Company, any of the Company's Subsidiaries or of Buyer, unless required to conform to changes in Tax laws or regulations (including changes in interpretations thereof by any governmental authority), regulatory accounting requirements or GAAP;

(n) made any capital expenditures in excess of $50,000 individually or that aggregate in excess of $250,000;

(o) made any loans or advances to, or guarantees for the benefit of, any Persons;

(p) amended or modified or authorized any amendment or modification in its Organizational Documents;

(q) instituted or settled any Proceeding;

(r) granted any performance guarantee to any of its customers;

(s) acquired any other business or Person (or any significant portion or division thereof), whether by merger, consolidation or reorganization or by purchase of its assets or equity or acquired any other material assets; or

(t) committed or agreed to any of the foregoing.

Section 5.08 No Undisclosed Material Liabilities . To the Knowledge of the Company, there are no Liabilities of the Company or any of its Subsidiaries of the type that would be required, if known, to be reflected or reserved against on a consolidated balance sheet of the Company prepared in accordance with GAAP other than: (i) Liabilities reflected in, reserved against or disclosed in the Current Balance Sheet; (ii) Liabilities incurred in the Ordinary Course of Business since the Balance Sheet Date including future performance obligations under Contracts of the Company (none of which is a Liability relating to any breach of Contract, breach of warranty, tort, infringement or violation of Applicable Law); and (iii) Liabilities arising from matters specifically disclosed in the Company Disclosure Schedule (but only if the nature of such Liability would be readily apparent on the face of such disclosure). Neither the Company nor any of its Subsidiaries has any Indebtedness.

Section 5.09 Material Contracts.

(a) Section 5.09(a) of the Company Disclosure Schedule contains a list of all Contracts currently in force and effect referred to in clauses (i) through (xiv), inclusive, of this Section 5.09(a) to which the Company or any of its Subsidiaries is a party (each Contract required to be disclosed hereunder, a " Material Contract " and, collectively, the " Material Contracts "), complete and accurate copies of which have been made available to Buyer:

(i) any lease (whether of real or personal property) providing for annual rentals of $50,000 or more;

(ii) any agreement for the purchase of materials, supplies, goods, services, development, equipment or other assets providing for either (A) annual payments by the Company or any of its Subsidiaries of $50,000 or more or (B) aggregate payments by the Company or any of its Subsidiaries of $250,000 or more;

(iii) any sales, partnering, development or other similar agreement providing for the sale by the Company or any of its Subsidiaries of products, services or other assets (other than the Company's customer contracts or PEAs) that provides for either (A) annual payments to the Company or any of its Subsidiaries of $200,000 or more or (B) aggregate payments to the Company or any of its Subsidiaries of $250,000 or more;

(iv) any partnership, joint venture or other similar agreement or arrangement;

(v) any agreement relating to the acquisition or disposition by the Company or any of its Subsidiaries of any business (whether by merger, sale of stock, sale of assets or otherwise);

(vi) any agreement relating to indebtedness for borrowed money or the deferred purchase price of property (in either case, whether incurred, assumed, guaranteed or secured by any asset), except any such agreement with an aggregate outstanding principal amount not exceeding $50,000 and which may be prepaid on not more than thirty (30) calendar days' notice without the payment of any penalty;

(vii) any material agreements pursuant to which the Company or any of its Subsidiaries receives or grants a license to Intellectual Property from or to any other Person (other than (x) Shrinkwrap Licenses or (y) Standard Customer Licenses or other nonexclusive licenses or grants of rights by the Company to its customers ancillary to commercial agreements entered into in the Ordinary Course of Business);

(viii) any agency, dealer, sales representative, distribution, marketing or other similar agreement;

(ix) Contracts with any labor union or association representing any Company Employee or, to the Knowledge of the Company, any Worksite Employee;

(x) any agreement that (A) limits the freedom of the Company or its Affiliates to compete in any line of business or against any Person or in any area or which would so limit the freedom of the Company or its Affiliates after the Closing Date or (B) provides for pricing or other contract terms on a "most favored nations" or similar basis;

(xi) any agreement with (A) any Seller, the Company or any of their Affiliates, (B) any Person directly or indirectly owning, controlling or holding with power to vote, 5% or more of the outstanding voting securities of the Company or any of its Affiliates, (C) any Person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by any Seller, the Company or any of their

Affiliates or (D) any director or officer of the Company or any of its Affiliates or any "associates" or members of the "immediate family" (as such terms are respectively defined in Rule 12b-2 and Rule 16a-1 of the Exchange Act) of any such director or officer;

(xii) any indemnification agreements, other than in the Organizational Documents of the Company, the MER Indemnity, or in connection with commercial transactions in the Ordinary Course of Business;

(xiii) any contract with a Governmental Authority;

(xiv) confidentiality and non-disclosure agreements (whether the Company is the beneficiary or the obligated party thereunder), other than those related to commercial transactions in the Ordinary Course of Business that are not individually material and other than those related to a possible sale of the Company or its Subsidiaries; and

(xv) written powers of attorney from the Company or any of its Subsidiaries in respect of contractual matters constituting Material Contracts under clauses (i) through (xiv) hereof (excluding powers of attorney to Company Employees pursuant to their functions and consistent with their titles).

(b) (i) Each Material Contract, Company PEA, Company Administrative Services and Partner Benefit Agreement or Company Administrative Services and Member Benefit Agreement in effect at the Closing is a valid and binding agreement of the Company and/or its Subsidiary party thereto except as limited by the Enforceability Exceptions, and is in full force and effect, (ii) none of the Company or any of its Subsidiaries or, to the Knowledge of the Company, any other party thereto, is in default or breach in any material respect under the terms of any such Material Contract and (iii) to the Knowledge of the Company, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute any event of default under any Material Contract. Complete and accurate copies of each Material Contract have been made available to Buyer.

(c) Section 5.09(c) of the Company Disclosure Schedule sets forth the names of the all the suppliers with over $100,000 annualized aggregate payments from the Company and/or its Subsidiaries and the top ten (10) customers of the Company (on a consolidated basis) in revenue terms during the year ended December 31, 2012 and during the five-months ended May 31, 2013. Since March 31, 2013, none of the suppliers or customers listed in Section 5.09(c) of the Company Disclosure Schedule has notified the Company or any of its Subsidiaries that it is canceling, materially reducing or otherwise terminating its business with the Company or any of its Subsidiaries or that it intends to cancel, reduce or otherwise terminate its relationship with the Company or any of its Subsidiaries.

Section 5.10 Litigation . There is no action, suit, investigation, claim, arbitration, inquiry, review or proceeding (" Proceeding ") pending against, or to the Knowledge of the Company or any Seller, threatened against or affecting, the Sellers, the Company, any of the Company's Subsidiaries or any of their properties before any arbitrator or any Governmental Authority which, individually or in the aggregate, if determined or resolved adversely in

accordance with the plaintiff's demands, would reasonably be expected to (i) have a Material Adverse Effect or (ii) in any manner challenge or seek to prevent, enjoin, alter or materially delay the transactions contemplated by this Agreement. To the Knowledge of the Company, no event has occurred, and no claim, dispute or other condition or circumstance exists, that will, or that would reasonably be expected to, give rise to or serve as the basis for the commencement of any Proceeding of a nature described in the immediately preceding sentence. There is no order, writ, injunction, judgment or decree to which the Company or any of its Subsidiaries, or any of the assets owned or used by the Company and/or any of its Subsidiaries, is subject. To the Knowledge of the Company, no officer of the Company or any of its Subsidiaries or other Company Employee or Worksite Employee is subject to any order, writ, injunction, judgment or decree that prohibits such officer or other Company Employee or Worksite Employee from engaging in or continuing any conduct, activity or practice relating to the business of the Company and/or its Subsidiaries.

Section 5.11 Compliance with Laws and Court Orders. The Company and each of its Subsidiaries is in compliance in all material respects with all Applicable Laws and neither the Company nor any of its Subsidiaries has, within the last twelve months, received any material fine, citation or other written notice of any action or Legal Proceeding against it alleging any material failure to comply with any Applicable Laws or any orders, writs, injunctions or decrees of any Governmental Entity. To the Knowledge of the Company, neither the Company nor any of its Subsidiaries is under investigation with respect to, and has not been threatened to be charged with or given notice of any material violation of, any Applicable Law.

Section 5.12 Leases and Properties.

(a) The Company and each of its Subsidiaries has good and marketable, indefeasible, fee simple title to, or in the case of leased property and assets has valid leasehold interests in, all property and assets (whether real, personal, tangible or intangible) reflected on the Current Balance Sheet or acquired after the Balance Sheet Date, except for properties and assets sold since the Balance Sheet Date in the Ordinary Course of Business consistent with past practice. None of such property or assets is subject to any Lien, except for Permitted Liens.

(b) The buildings, improvements, fixtures, machinery, equipment and other tangible assets (whether owned or leased) of the Company and its Subsidiaries are in good condition and repair and are usable in the Ordinary Course of Business.

(c) Section 5.12(c) of the Company Disclosure Schedule sets forth a list of all real property leased, subleased, licensed or otherwise occupied by the Company and/or any of its Subsidiaries (the " Leased Real Property "). All Leased Real Property is leased or subleased by the Company or one of its Subsidiaries pursuant to the leases or other agreements also listed in Section 5.12(c) of the Company Disclosure Schedule (the " Leased Real Property Leases "). Each Leased Real Property Lease is in full force and effect against the Company and/or its Subsidiary party thereto, and, to the Knowledge of the Company, against each other party thereto, and is unmodified. The Company and each of its Subsidiaries has a good and valid leasehold interest in each Leased Real Property, free and clear of Liens except for

Permitted Liens. Neither the Company nor any of its Subsidiaries is, and, to the Knowledge of the Company, no other party thereto is, in default under any Leased Real Property Lease, and neither the Company nor any of its Subsidiaries has received written notice of any breach or default thereunder, or cancellation or termination thereof. There are no conditions, events or circumstances which with notice or lapse of time, or both, would constitute a breach or default by the Company or any of its Subsidiaries or, to the Knowledge of the Company, any other party thereto, under any Leased Real Property Lease. The Company and each of its Subsidiaries has made available to Buyer a complete and accurate copy of each Leased Real Property Lease.

(d) Neither the Company nor any of its Subsidiaries owns any real estate plants, buildings or structures. The equipment and the structures and fixtures on the Leased Real Property owned by the Company and/or its Subsidiaries have no material defects, are in good operating condition and repair and have been reasonably maintained consistent with standards generally followed in the industry (giving due account to the age and length of use of same, ordinary wear and tear excepted), and are adequate and suitable for their present uses.

(e) The Leased Real Property constitutes all real property held or used by the Company and its Subsidiaries to conduct, operate or manage the Business.

Section 5.13 Intellectual Property.

(a) Registered Company Intellectual Property . Section 5.13(a) of the Company Disclosure Schedule sets forth any Company Intellectual Property that consists of Registered IP (the " Registered Company Intellectual Property "). The Company or its Subsidiaries hold good and valid title to all such Intellectual Property free and clear of any and all Liens, except for and subject to Permitted Liens. The Company and its Subsidiaries have taken commercially reasonable actions to maintain and protect the Registered Company Intellectual Property, including making all filings and payments of maintenance or similar fees in a timely manner. The Registered Company Intellectual Property is, to the Knowledge of the Company, subsisting, valid and enforceable.

(b) Ownership . The Company or its Subsidiaries exclusively own all Company Intellectual Property free and clear of any Liens, except for and subject to Permitted Liens. With respect to any material Intellectual Property developed for the Company by the Company's employees, such employees have assigned ownership of such Intellectual Property to the Company (whether by contract or by operation of law).

(c) No Infringement . The Company has not infringed, misappropriated, or otherwise violated, and the operation of the Business as currently conducted does not infringe, misappropriate or otherwise violate, the Intellectual Property rights of any third party in a manner that materially affects the operation of the Business or creates any material Liability. The Company has not engaged in conduct that constitutes unfair competition or unfair trade practices with respect to the trademarks of any third party in a manner that materially affects the operation of the Business or creates any material Liability. There are no claims pending or threatened to Company in writing (or, to the Knowledge of the Company, in any other form), that allege any of the foregoing or that challenge the validity, enforceability or ownership of any

Company Intellectual Property in a manner that materially affects the operation of the Business or creates any material Liability. The Company owns or otherwise has the right to use all material Intellectual Property used in the Business as currently conducted.

(d) Confidential Information . The Company and its Subsidiaries have taken commercially reasonable actions to maintain and protect the confidentiality of trade secrets and other confidential information (including personally identifiable information in its possession). To the Knowledge of the Company, there have been no material breaches or theft thereof.

(e) Source Code Escrow . No source code for any Company Intellectual Property consisting of software material to the Business has been delivered, licensed, or made available to any escrow agent or other third party. The Company has no duty or obligation to make such source code available to any escrow agent or other third party.

(f) No Open Source Contamination . The Company has not used any open source software in any manner that, with respect to any material software owned by the Company, require its (i) disclosure or distribution in source code form, (ii) licensing for the purpose of making derivative works, or (iii) licensing to any third party at no charge. With respect to any open source software that is used by the Company, the Company is in material compliance with the applicable licenses with respect thereto.

(g) Privacy/Security . The Company and its Subsidiaries have complied in all material respects with all applicable legal requirements and their own respective privacy policies relating to the use, collection, storage, disclosure and transfer of personally identifiable information. The Company and its Subsidiaries have implemented and, during the period preceding the date of this Agreement, have maintained a commercially reasonable security plan reasonably designed to (i) identify internal and external risks to the security of all confidential or proprietary information belonging to the Company, its Subsidiaries, or any third party that is in the possession or control of the Company or its Subsidiaries; (ii) implement, monitor, and maintain adequate and effective administrative, electronic and physical safeguards to control those risks; and (iii) maintain notification procedures in compliance with applicable legal requirements in the case of any breach of security. Without limiting the foregoing, the Company has delivered to the Buyer a true and complete copy of the SSAE16 Opinion. To the Knowledge of the Company, neither the Company nor any Subsidiary has experienced any material breach of security or other unauthorized access by third parties to its information systems or infrastructure.

Section 5.14 Insurance Coverage .

(a) Section 5.14(a) of the Company Disclosure Schedule sets forth a complete list of all insurance policies or binders of fire, liability, workers' compensation, motor vehicle, directors' and officers' liability, property, casualty, life and other forms of insurance owned by the Company and its Subsidiaries or under which the Company, the Company's Subsidiaries or their assets or properties are insured (regardless of whether the premiums are paid by the Company) (collectively, the " Company Policies "). The Company and each of its Subsidiaries has made available to Buyer correct and complete copies of such policies and binders and all pending applications for any such policies or binders.

(b) To the Knowledge of the Company, all Company Policies are in full force and effect. No written notice of cancellation or termination that any such policy is no longer in full force or effect or that the issuer of any policy is not willing or able to perform its obligations thereunder, has been received by the Company or any of its Subsidiaries. As of the date of this Agreement, with respect to the Company Policies, there are no pending claims against such insurance by the Company or any of its Subsidiaries as to which the insurers have denied coverage.

Section 5.15 Licenses and Permits . Section 5.15 of the Company Disclosure Schedule correctly describes each material license, franchise, permit, certificate, approval or other similar authorization relating to the Business (the " Permits ") together with the name of the Governmental Authority issuing such Permit. The Permits are valid and in full force and effect, neither the Company nor any of its Subsidiaries is in default under (and no condition exists that with notice or lapse of time or both would constitute a default under) the Permits in any material respect and none of the Permits will be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated by this Agreement.

Section 5.16 Finders' Fees . There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Company or any of its Affiliate who is entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

Section 5.17 Employees.

(a) Section 5.17(a) of the Company Disclosure Schedule sets forth a complete and accurate list of all current Company Employees showing, for each as of the date of this Agreement (including any employee who is on a leave of absence or on layoff status), the employee's name, job title or description, date of hire, base salary or wage rate, commission, and any other cash compensation or bonus opportunity, whether such employee is classified as exempt or non-exempt by the Company or any of its Subsidiaries, principal location and work visa status. All Company Employees have the legal right to perform services for the Company and/or its Subsidiaries in accordance with local immigration, work permit and similar Applicable Laws and regulations. No current Company Employee has notified Sellers or the Company that he or she intends to resign or retire. The services provided by each current Company Employee are terminable at the will of the Company, without any obligation to provide any particular form or period of notice prior to termination. The Company and each of its Subsidiaries has delivered or made available to Buyer accurate and complete copies of all employee manuals and handbooks relating to the employment of each Company Employee. To the Knowledge of the Company, no Company Employee could reasonably be deemed to be (or to have been since January 1, 2010) improperly classified as exempt under applicable wage and hour laws.

(b) Except as set forth in Section 5.17(b) of the Company Disclosure Schedule, neither the Company nor any of its Subsidiaries: (i) maintains any plan, agreement or arrangement, formal or informal, that provides material benefits in the nature of severance; or (ii) have any outstanding liabilities with respect to material severance benefits. Section 5.17(b) of the Company Disclosure Schedule also accurately identifies each former Company Employee who is receiving or is scheduled to receive (or whose spouse or other dependent is receiving or is scheduled to receive) any benefits from the Company or any of its Subsidiaries relating to such former employee's employment with the Company or such Subsidiary, and describes such benefits.

(c) Section 5.17(c) of the Company Disclosure Schedule accurately sets forth, with respect to each natural person who is a current independent contractor or consultant of the Company and/or any of its Subsidiaries, the name of such independent contractor, the date as of which such independent contractor was originally engaged by the Company and/or any of its Subsidiaries, it's the compensation of such independent contractor (including all payments or benefits of any type, other than equity awards), and if any such independent contractor has previously provided services to the Company and/or any of its Subsidiaries as an employee, the dates of such employment services, job title or description, and compensation paid during such time. To the Knowledge of the Company, each Person whose services relate exclusively to the business of the Company and/or any of its Subsidiaries that has been characterized as a consultant or independent contractor and not as an employee has been properly characterized as such.

Section 5.18 Labor Matters.

(a) Neither the Company nor any of its Subsidiaries is, and no such Person has been since January 1, 2010 a party to or bound by any collective bargaining agreement or association, works council or similar organization. No labor union, works council or similar organization has been certified to represent any Company Employee or, to the Knowledge of the Company, has applied to represent or is attempting to organize so as to represent such employees. Neither the Company nor any of its Subsidiaries is engaged and, to the Knowledge of the Company, has been engaged since January 1, 2010 in any unfair labor practice of any nature. To the Knowledge of the Company, there has not been since January 1, 2012 any slowdown, work stoppage, or labor dispute, affecting the Company or any of its Subsidiaries conducted by any current or former Company Employee or Worksite Employees. No event has occurred, and no condition or circumstance exists, that to the Knowledge of the Company may directly or indirectly give rise to the commencement of any such slowdown, work stoppage, labor dispute or union organizing activity or any similar activity or dispute.

(b) There are no actions, suits, claims, labor disputes or grievances pending against the Company or, to the Knowledge of the Company, threatened in writing against the Company relating to any labor, safety or discrimination matters involving any current or former Company Employee or Worksite Employee, including, without limitation, charges of unfair labor practices or discrimination complaints. The Company and each of its Subsidiaries is in material compliance with and, since January 1, 2011, has not incurred any liability or obligation under the Workers Adjustment and Retraining Notification Act or any other similar U.S. state or local law, or applicable foreign country law, that remains unsatisfied.

(c) The Company and each of its Subsidiaries is in compliance in all material respects with all currently Applicable Laws respecting employment and employment practices, terms and conditions of employment, employee safety and health and wages and hours, in each case with respect to Company Employees and, to the Knowledge of the Company, the Worksite Employees where the Company and/or its Subsidiaries are responsible for compliance with any such Applicable Laws in relation to the Worksite Employees.

(d) To the Knowledge of the Company, no Company Employee is in violation of any term of any employment agreement, noncompetition agreement, confidentiality and inventions assignment agreement or any restrictive covenant to a former employer relating to the right of any such Company Employee to be employed by the Company or any of its Subsidiaries because of the nature of the business conducted or presently proposed to be conducted by the Company and/or any of its Subsidiaries or to the use of trade secrets or proprietary information of others.

Section 5.19 Employee Benefit Plans.

(a) Section 5.19 of the Company Disclosure Schedule contains a correct and complete list identifying each material "employee benefit plan," as defined in Section 3(3) of ERISA, each employment, severance, change-in-control, fringe benefit, collective bargaining or similar contract, plan, arrangement or policy and each other plan or arrangement (written or oral) providing for compensation, bonuses, profit-sharing, stock option or other stock related rights or other forms of incentive or deferred compensation, vacation benefits, insurance (including any self-insured arrangements), health or medical benefits, employee assistance program, disability or sick leave benefits, supplemental unemployment benefits, severance benefits and post-employment or retirement benefits (including compensation, pension, health, medical or life insurance benefits) which is maintained, administered or contributed to by the Company or any ERISA Affiliate of the Company and covers any current or former Company Employee, Worksite Employee, director or former director, consultant or independent contractor of the Company or any of its Subsidiaries, or with respect to which the Company or any of its Subsidiaries has any present or future liability. Such plans are referred to collectively herein as the " Employee Plans ." Copies of all documents constituting each Employee Plan (or a written summary thereof with respect to any Employee Plan which has not been documented in writing), all related trust or funding agreements or insurance policies, all amendments and modifications thereto, all determination letters related thereto have been furnished to Buyer together with the three (3) most recent annual reports (Form 5500 including, if applicable, Schedule B thereto) and tax return (Form 990) prepared in connection with any such plan or trust.

(b) Neither the Company nor any ERISA Affiliate of the Company has ever maintained, established, sponsored, participated in, or contributed to, any "employee pension benefit plan," within the meaning of Section 3(2) of ERISA subject to Part 3 of Subtitle B of

Title I of ERISA, Title IV of ERISA or Section 412 of the Code. Neither the Company nor any ERISA Affiliate of the Company has (i) engaged in, or is a successor or parent corporation to an entity that has engaged in, a transaction described in Sections 4069 or 4212(c) of ERISA or (ii) incurred, or reasonably expects to incur prior to the Closing Date, (A) any liability under Title IV of ERISA arising in connection with the termination of, or a complete or partial withdrawal from, any plan covered or previously covered by Title IV of ERISA or (B) any liability under Section 4971 of the Code that in either case could become a liability of the Company or Buyer or any of their respective ERISA Affiliates after the Closing Date. To the Knowledge of the Company, neither the Company nor any of its Subsidiaries has participated in a violation of Part 4 of Subtitle B of Title I of ERISA by any plan fiduciary of any Employee Plan, and neither the Company nor any of its Subsidiaries has been assessed any civil penalty under Section 502(l) of ERISA.

(c) None of the Company, any ERISA Affiliate of the Company and any predecessor thereof contributes to, or has in the past contributed to, any multiemployer plan, as defined in Section 3(37) of ERISA or to any plan described in Section 413 of the Code. None of the Employee Plans covers current or former Company Employees outside of the United States.

(d) Neither the Company nor any ERISA Affiliate maintains, sponsors, participates in or contributes to any self-insured plan that provides benefits to employees (including any such plan pursuant to which a stop-loss policy or contract applies).

(e) Each Employee Plan that is intended to be qualified under Section 401(a) of the Code is so qualified and has received a favorable determination letter (or is entitled to rely upon an opinion letter) and the Company is not aware of any reason why any such determination letter (or opinion letter) could be revoked or not reissued. Each Employee Plan has been maintained in material compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations, including ERISA and the Code, which are applicable to such Employee Plan. No material events have occurred with respect to any Employee Plan that could reasonably result in payment or assessment by or against the Company or any of its Subsidiaries of any material excise taxes under Sections 4972, 4975, 4976, 4977, 4979, 4980B, 4980D, 4980E or 5000 of the Code.

(f) Neither the Company nor any of its Subsidiaries has any current or projected liability in respect of post-employment or post-retirement health, medical or life insurance or other employee welfare benefits for retired, former or current Company Employees or Worksite Employees, except as required to avoid excise tax under Section 4980B of the Code or similar state law, and neither the Company nor any ERISA Affiliate of the Company has promised to any Company Employee or Worksite Employee any post-retirement employee welfare benefits, except to the extent required by Applicable Law.

(g) All contributions and payments accrued under each Employee Plan, determined in accordance with prior funding and accrual practices, as adjusted to include proportional accruals for the period ending on the Closing Date, will be discharged and paid on or prior to the Closing Date except to the extent they are both (A) reflected as a liability on the Closing Balance Sheet and (B) included in the calculation of Final Working Capital.

(h) Except as set forth in Section 5.19(h) of the Company Disclosure Schedule, the consummation of the transactions contemplated by this Agreement will not (either alone or together with any other event, including a subsequent termination of employment or service) entitle any current or former Company Employee, consultant or independent contractor of the Company or any of its Subsidiaries to severance pay or accelerate the time of payment or vesting or trigger any payment of funding (through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable or trigger any other material obligation pursuant to, any Employee Plan. No payment or benefit that has been or could be received by any current or former Company Employee or Worksite Employee, consultant or independent contractor of the Company or any of its Subsidiaries will, or could reasonably be expected to, give rise directly or indirectly to the payment of any amount that would be characterized as a "parachute payment" within the meaning of Section 280G(b)(2) of the Code. There is no contract, plan, agreement or arrangement by which the Company or any of its Subsidiaries is bound to compensate any employee for excise taxes paid pursuant to Section 4999 of the Code.

(i) There is no action, suit, investigation, audit or Proceeding pending against or involving or, to the Knowledge of the Company, threatened against or involving any Employee Plan before any arbitrator or any Governmental Authority. With respect to Employee Plans, to the Knowledge of the Company, no event has occurred and no condition exists that would subject the Company, either directly or by reason of its affiliation with any ERISA Affiliate of the Company, to any material tax, fine or penalty imposed by ERISA, the Code or other Applicable Laws.

(j) Each Employee Plan or other contract, plan, program, agreement or arrangement that is a "nonqualified deferred compensation plan" (within the meaning of Section 409A(d)(1) of the Code) has (i) been maintained and operated since January 1, 2005 in good faith compliance with Section 409A of the Code and all applicable U.S. Treasury Regulations promulgated thereunder, and (ii) since January 1, 2009, been in documentary and operational compliance with Section 409A of the Code and all applicable IRS guidance promulgated thereunder. No "service provider" (as such term is defined in Section 409A of the Code and the United States Treasury Regulations and IRS guidance thereunder) has any right against the Company to be grossed up for or reimbursed for any Tax imposed pursuant to Section 409A of the Code. The Company has not issued any options, equity appreciation rights, or similar equity awards with an exercise price that is less than the "fair market value" of the underlying equity on the date of grant, as determined under Section 409A of the Code.

Section 5.20 Environmental Matters.

(a) No notice, notification, demand, request for information, citation, summons or order has been received, no complaint has been filed, no penalty has been assessed and no Proceeding is pending or, to Knowledge of the Company, threatened in writing by any

Governmental Authority with respect to any matters relating to the Company, any of the Company's Subsidiaries or the Business and relating to or arising out of any Environmental Law. There are no liabilities or obligations of or relating to the Company or any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, arising under or relating to any Environmental Law or any Hazardous Substance, and there are no facts, conditions, situations or set of circumstances which could reasonably be expected to result in or be the basis for any such liability or obligation. To Sellers' Knowledge, no Hazardous Substance has been discharged, disposed of, dumped, injected, pumped, deposited, spilled, leaked, emitted or released at, on or under any property now or previously owned, leased or operated by the Company or any of its Subsidiaries. The Company and each of its Subsidiaries is and has at all times since January 1, 2008 been in compliance with all Environmental Laws and has obtained and are in compliance with all Environmental Permits; such Environmental Permits are valid and in full force and effect and will not be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated hereby.

(b) There has been no environmental investigation, study, audit, test, review or other analysis conducted of which any of the Company, any of the Company's Subsidiaries or any Seller has Knowledge in relation to the current or prior business of the Company or any of the Company's Subsidiaries or any property or facility now or previously owned, leased or operated by the Company or any of its Subsidiaries which has not been delivered to Buyer at least ten (10) calendar days prior to the date hereof.

Section 5.21 Tax Matters.

(a) The Company has timely filed with the appropriate Taxing Authority all material Tax Returns required to be filed. All such Tax Returns are complete and accurate in all material respects. All material Taxes due and owing by the Company (whether or not shown on any Tax Return) have been timely paid. Except as set forth on Section 5.21(a) of the Company Disclosure Schedule, the Company is not currently the beneficiary of any extension of time within which to file any material Tax Return. No claim has ever been made by an authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to Tax by that jurisdiction.

(b) The unpaid Taxes of the Company did not, as of the Balance Sheet Date, exceed the reserve for Tax liability (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the Current Balance Sheet (rather than in any notes thereto). Since the Balance Sheet Date, the Company has not incurred any liability for Taxes outside the Ordinary Course of Business or otherwise inconsistent with past custom and practice.

(c) From and at all times since its inception, the Company has been properly classified as a partnership, and each Company Subsidiary has been classified as "disregarded as an entity separate from its owner", for U.S. federal income tax purposes under Section 301.7701-3 of the Treasury Regulations and corresponding provisions of applicable state

income tax laws, and all Tax Returns have been prepared consistently therewith. The Company has delivered or made available to Buyer complete and accurate copies of all federal, state, local, and foreign Tax Returns of the Company for all open Tax years. The Company has made available to Buyer complete and accurate copies of all private letter rulings, determination letters, closing agreements and other correspondence issued by or received from the IRS or any other Taxing Authority with respect to Tax matters of the Company.

(d) No deficiencies for Taxes with respect to the Company have been claimed, proposed or assessed by any Taxing Authority. To the Knowledge of the Sellers or the Company, no audit, assessment or other action for or relating to any liability in respect of Taxes of the Company has been commenced or threatened, and there are no matters under discussion with any Taxing Authority, with respect to Taxes that are likely to result in an additional liability for Taxes with respect to the Company. The Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency, nor has any request been made in writing for any such waiver or extension. No power of attorney with respect to any Taxes of the Company has been executed or filed with any Taxing Authority.

(e) There are no Liens for Taxes (other than Liens for Taxes not yet due and payable or are being contested in good faith) on any assets of the Company.

(f) All material elections with respect to Taxes affecting the Company as of the date hereof, to the extent such elections are not shown on the Tax Returns that have been delivered or made available to Buyer, are set forth in Section 5.21(f) of the Company Disclosure Schedule.

(g) The Company has not: (i) agreed, and is not required, to make any adjustment under Section 481(a) of the Code by reason of a change in accounting method or otherwise; (ii) made an election, and is not required, to treat any of its assets as owned by another Person pursuant to the provisions of Section 168(f) of the Internal Revenue Code of 1954 or as tax-exempt bond financed property or tax-exempt use property within the meaning of Section 168 of the Code; (iii) acquired, and does not own, any assets that directly or indirectly secure any debt the interest on which is tax exempt under Section 103(a) of the Code; or (iv) made any of the foregoing elections, and is not required to apply any of the foregoing rules, under any comparable state or local Tax provision. The Company uses the accrual method of accounting in keeping its books and in computing its taxable income.

(h) The Company will not be required to include any item of income in, or exclude any deduction or loss from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (i) installment sale or open transaction disposition made on or prior to the Closing Date; (ii) change in method of accounting for a taxable period ending on or prior to the Closing Date; (iii) “closing agreement” as described in Section 7121 of the Code executed on or prior to the Closing Date or (iv) prepaid amount received on or prior to the Closing Date.

(i) There are no Tax Sharing Agreements, Tax indemnity agreements or similar arrangements with respect to or involving the Company, and, after the Closing Date, the Company shall not be bound by any such Tax Sharing Agreements, Tax indemnity agreements or similar arrangements or have any liability thereunder for amounts due in respect of periods prior to the Closing Date.

(j) Neither the Company nor any predecessor has been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which is or was the Company or such predecessor) or any similar group for federal, state, local or foreign Tax purposes. The Company does not have any liability for the Taxes of any Person (other than Taxes of the Company) (i) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign law), (ii) as a transferee or successor, (iii) by Contract (other than pursuant to customary commercial contracts, including PEAs, not primarily related to Taxes) or (iv) otherwise.

(k) The Company has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any Company Employee, independent contractor, creditor, stockholder or other third party (excluding amounts paid or owing to Worksite Employees, which are addressed in Section 5.21(p)).

(l) To the Knowledge of the Company, the Company (i) is not a shareholder of a "controlled foreign corporation" as defined in Section 957 of the Code (or any similar provision of state, local or foreign law), and (ii) is not a shareholder of a "passive foreign investment company" within the meaning of Section 1297 of the Code.

(m) The Company has not engaged in a trade or business, had a permanent establishment (within the meaning of an applicable Tax treaty), or otherwise become subject to Tax jurisdiction in a country other than the United States.

(n) None of the outstanding indebtedness of the Company constitutes indebtedness with respect to which any interest deductions may be disallowed under Sections 163(i), 163(1) or 279 of the Code or under any other provision of Applicable Law.

(o) The Company has not entered into any transaction that is or is substantially similar to a "reportable transaction" as defined in Treasury Regulations Sections 1.6011-4, or any other transaction requiring disclosure under analogous provisions of state, local or foreign law. If the Company has entered into any transaction such that, if the treatment claimed by it were to be disallowed, the transaction would constitute a substantial understatement of federal income tax within the meaning of Section 6662 of the Code, then it believes that it has either (i) substantial authority for the tax treatment of such transaction or (ii) disclosed on its Tax Return the relevant facts affecting the tax treatment of such transaction.

(p) The Company has withheld and paid all material Taxes required to have been withheld or paid in connection with amounts paid or owing to any Worksite Employee (other than any K-1 Employee), and the Company has complied with all material Tax Return reporting requirements in connection with amounts paid or owing to any Worksite Employee

(other than any K-1 Employee) in accordance with applicable laws. The representations and warranties in this Section 5.21(p) shall be the sole and exclusive representations and warranties in this Agreement concerning Taxes related to the Worksite Employees, and any claim for breach of representation with respect to the Taxes and Tax Return reporting addressed in this Section 5.21(p) shall be based solely on the representations in this Section 5.21(p) and shall not be based on the representations set forth in any other provision of this Agreement. For the avoidance of doubt, no representations or warranties are made in this Agreement concerning Taxes and Tax Returns related to K-1 Employees.

Section 5.22 Foreign Corrupt Practices Act . None of the Company or any of its Subsidiaries or, to the Knowledge of the Company, any agent, Company Employee or other Person acting on behalf of the Company has, directly or indirectly, in violation of any Applicable Law related to anti-corruption or bribery, used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds, violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, or made any bribe, rebate, payoff, influence payment, kickback or other similar unlawful payment. Neither the Company nor any of its Subsidiaries has any pending or anticipated disclosures to any Governmental Authority for (a) violations or (b) facts or circumstances that would constitute a violation, in each case, of any Applicable Law related to anti-corruption or bribery. To the Knowledge of the Company, there have been no violations of Applicable Laws related to anti-corruption or bribery that have been discovered by or brought to the attention of the Company or any of its Subsidiaries in the past three years.

Section 5.23 Other Agreements . None of the Company, any of the Company's Subsidiaries, any Seller or any other equityholder of the Company or any of its Subsidiaries has any legal obligation, absolute or contingent, to any other Person to sell the Company or any of its Subsidiaries or the Business or to sell any equity interests of the Company or any of its Subsidiaries or to effect any merger, consolidation or other reorganization of the Company or any of its Subsidiaries or to enter into any agreement with respect thereto, except pursuant to this Agreement.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Each Seller severally represents and warrants to Buyer that the statements contained in this Article 6 are true and correct on the date of this Agreement and shall be true and correct on the Closing Date:

Section 6.01 Authorization . Such Seller has full power, authority and legal capacity to enter into this Agreement and the Ancillary Agreement to which such Seller is a party and to perform its obligations hereunder and thereunder. This Agreement and the Ancillary Agreement to which such Seller is a party have been duly executed and delivered by such Seller and constitute the valid and binding agreements of such Seller, enforceable in accordance with their respective terms, subject to the Enforceability Exceptions.

Section 6.02 Noncontravention . Neither the execution and the delivery of this Agreement and the Ancillary Agreement to which such Seller is a party, nor the consummation of the transactions contemplated hereby and thereby, shall (a) conflict with, result in a breach or any of the provisions of, (b) constitute a default under, (c) result in the violation of, (d) give any third party the right to terminate or to accelerate any obligation under, (e) result in the creation of any Lien upon the Equity Interests owned by such Seller (other than any Lien created by Buyer), or (f) require any authorization, consent, approval, execution or other action by or notice to or declaration to, or filing with any Governmental Authority, under the provisions of (i) any Contract to which such Seller is bound, (ii) any judgment, order or decree to which such Seller is subject, or (iii) any law, statute, rule or regulation to which such Seller is subject except in the case of (i) for conflicts, breaches, defaults, violations, rights, Liens, or requirements that would not have a material adverse effect on the ability of such Seller to perform its obligations under this Agreement or consummate the transactions contemplated hereby.

Section 6.03 Equity Interests. Such Seller holds of record and owns beneficially the Equity Interests set forth opposite such Seller's name on Schedule I , and at the Closing such Seller will transfer to Buyer good title to such Equity Interests, in each case free and clear of any Liens (other than any Liens created by Buyer), restrictions on transfer (other than any restrictions under the Securities Act and applicable state securities laws), options, warrants, rights, calls, commitments, proxies or other contract rights. Such Seller is not a party to any option, warrant, Contract, call, put or other agreement or commitment providing for the disposition or acquisition of any Equity Interests of the Company (other than this Agreement). Such Seller is not a party to any voting trust, proxy or other agreement or understanding with respect to the voting of any Equity Interests of the Company.

Section 6.04 Finders' Fees. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of such Seller or any of its Affiliate who is entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

Section 6.05 Litigation . There is no Proceeding pending against, or to the Knowledge of such Seller threatened against or affecting, such Seller before any arbitrator or any Governmental Authority which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated by this Agreement.

Section 6.06 No Other Representations and Warranties . Except as expressly set forth in Articles 5 and 6 and as qualified by the Company Disclosure Schedule, neither the Company nor any of the Sellers makes any representation or warranty with respect to the transactions contemplated by this Agreement, express or implied, at law or in equity, with respect to (a) the Sellers, the Company or the Business or (b) the operations, assets, prospects or financial condition of the Company.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers that Buyer that the statements contained in this Article 7 are true and correct on the date of this Agreement and shall be true and correct on the Closing Date:

Section 7.01 Organization and Power . Buyer is duly organized, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to enter into this Agreement and the Ancillary Agreement to which Buyer is a party and perform its obligations hereunder and thereunder.

Section 7.02 Authorization . The execution, delivery and performance of this Agreement and the Ancillary Agreement to which Buyer is a party have been duly and validly authorized by all requisite corporate action on the part of Buyer, and no other corporate proceedings on its part are necessary to authorize the execution, delivery or performance of this Agreement. This Agreement constitutes, and each of the Ancillary Agreement to which Buyer is a party shall when executed constitute, a valid and binding obligation of Buyer, enforceable in accordance with their terms.

Section 7.03 Governmental Authorization . The execution, delivery and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby require no action by or in respect of, or filing with, any Governmental Authority other than compliance with any applicable requirements of the Exchange Act.

Section 7.04 Noncontravention . Buyer is not subject or party to any Applicable Law, or rule or regulation of any Governmental Authority, or any Contract, or any license, franchise or permit, or subject to any order, writ, injunction or decree, which would be breached or violated by its execution, delivery or performance of this Agreement and the Ancillary Agreement to which Buyer is a party.

Section 7.05 Litigation . There is no Proceeding pending against, or to the Knowledge of Buyer threatened against or affecting, Buyer before any arbitrator or any Governmental Authority which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated by this Agreement.

Section 7.06 Purchase for Investment . Buyer is acquiring the Equity Interests solely for the purpose of investment and not with a view to, or for offer or sale in connection with, any distribution thereof other than in compliance with all Applicable Law, including United States federal securities laws. Buyer agrees that the Equity Interests may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act of 1933, as amended (the " Securities Act ") and any applicable state securities laws, except pursuant to an exemption from such registration under the Securities Act and such laws.

Section 7.07 Finders' Fees . There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of Buyer who is entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

Section 7.08 Sufficiency of Funds . Buyer has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Closing Payment Amount (as adjusted pursuant to Section 2.04) and consummate the transactions contemplated by this Agreement.

ARTICLE 8
TAX MATTERS

Section 8.01 Tax Returns and Tax Characterization; Allocation.

(a) Tax Returns for Pre-Closing Tax Periods Filed Before the Closing . The Sellers' Representative shall cause to be prepared and timely filed, on a basis consistent with the Company's past practice, all Tax Returns of the Company and the Company Subsidiaries required to be filed (taking into account extensions) on or prior to the Closing Date.

(b) Tax Returns for Pre-Closing Tax Periods Filed After the Closing . The Company shall at its expense cause to be prepared and timely filed, at the direction of the Sellers' Representative and on a basis consistent with the Company's past practice, all Tax Returns of the Company and the Company Subsidiaries for all Pre-Closing Tax Periods other than Straddle Periods required to be filed (taking into account extensions) after the Closing Date. The Sellers' Representative and Buyer shall each be entitled to review and approve such Tax Returns. At least ten (10) Business Days prior to the due date (taking into account any extension) for the filing of any such Tax Return, the Company shall provide to Sellers' Representative and Buyer a copy of such Tax Return for each of Sellers' Representative's and Buyer's review and approval, which approval will not be unreasonable withheld or delayed. The Sellers shall pay, or cause to be paid, all Taxes shown as due on such Tax Returns (except to the extent such Taxes (i) were specifically reflected in the Closing Working Capital or (ii) such Taxes are not Indemnified Taxes).

(c) Tax Returns for Straddle Periods . The Company shall, at the direction of the Sellers' Representative, at the Company's expense, and on a basis consistent with the Company's past practice (unless otherwise required by Tax laws or regulations (including interpretations thereof by any governmental authority)) prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Company that are required to be filed for a Straddle Period. At least ten (10) Business Days prior to the due date (taking into account any extension) for the filing of any such Tax Return, the Company shall provide the Sellers' Representative and Buyer a copy of such Tax Return, together with the calculation of Pre-Closing Taxes the Company determines to be due from the Sellers, for each of the Sellers' Representative's and Buyer's review and approval, which approval will not be unreasonably withheld or delayed. The Sellers shall pay to Buyer, within ten (10) Business Days after the date on which Taxes are paid with respect to such periods, an amount equal to the portion of such Taxes that relates to the Pre-Closing Tax Period, except to the extent (i) such Taxes were specifically reflected in the Closing Working Capital or (ii) such Taxes are not Indemnified Taxes. For purposes of the preceding sentence, Taxes shall be allocated in the manner set forth in Section 8.04 .

(d) Amended Returns . Nothing in this Section 8.01 shall prohibit Buyer from filing any amendment to any Tax Return with respect to any Entity Tax of the Company for any Pre-Closing Tax Period that was filed by the Company prior to the Closing, provided that no such amendment shall be made without the consent of such Seller if such amendment would reasonably be expected to (i) have a material adverse effect on any Seller or (ii) require any Seller to amend a Tax Return of such Seller.

(e) Allocation of Assets . The Sellers and Buyer intend and agree that, for U.S. federal income tax purposes, the sale and purchase of the Equity Interests contemplated by this Agreement shall be characterized, pursuant to Rev. Rul. 99-6, 1999-1 C.B. 432, as follows: (i) by Sellers, as a sale of partnership interests of the Company; and (ii) by Buyer, as a purchase of all the assets held by the Company and therefore as an "applicable asset acquisition" for purposes of Section 1060 of the Code. Following the Closing, Buyer shall complete its purchase price accounting, and Buyer shall provide the Sellers' Representative with a copy of its determination for allocation of the consideration paid by Buyer for the Equity Interests hereunder among the assets owned by the Company, for review and approval by the Sellers' Representative, which shall not be unreasonable withheld or delayed, and a copy of Form 8594 filed by Buyer. The parties agree to file all Tax Returns (including, as applicable, IRS Form 8594 and, if required, supplemental Forms 8594, in accordance with the instructions to Form 8594) in a manner that is consistent with such allocation and to refrain from taking any position inconsistent therewith.

Section 8.02 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value-added and other such Taxes and fees (including any penalties and interest) incurred in connection with transactions contemplated by this Agreement (including any real property transfer Tax and any similar Tax) (collectively, " Transfer Taxes ") shall be borne 50% by Buyer and 50% by Sellers. The Buyer hereby agrees to file, or cause to be filed, in a timely manner all necessary documents (including, but not limited to, all Tax Returns) with respect to all such amounts. The Buyer shall provide the Sellers' Representative with evidence satisfactory to Sellers' Representative that such Transfer Taxes have been paid. If required by Applicable Law, the Sellers will, and will cause their applicable Affiliates to, join in the execution of any such Tax Returns and other documentation.

Section 8.03 Cooperation on Tax Matters . Buyer and the Sellers shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the preparation and filing of any Tax Return, any audit, litigation or other Proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other Proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Buyer and the Sellers agree (a) to retain all books and records with respect to Tax matters pertinent to the Company relating to any Pre-Closing Tax Period for a period of at least seven (7) years

following the Closing Date, and to abide by all record retention agreements entered into with any Taxing Authority and (b) to deliver or make available to Buyer, upon Buyer's reasonable request, copies of all such books and records.

Section 8.04 Straddle Period Taxes . With respect to any Straddle Period, the portion of any Tax that relates to the Pre-Closing Tax Period shall (a) in the case of any Property Taxes, be deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction the numerator of which is the number of calendar days in the portion of the Straddle Period ending on the Closing Date and the denominator of which is the number of calendar days in the entire Straddle Period, and (b) in the case of any other Tax, be deemed equal to the amount which would be payable if the relevant Straddle Period ended on the Closing Date; provided that, in determining such amount, exemptions, allowances or deductions that are calculated on a periodic basis, such as the deduction for depreciation, shall be taken into account on a pro-rated basis in the manner described in clause (a) above.

Section 8.05 Tax Proceedings.

(a) Buyer and the Company, on the one hand, and the Sellers and the Sellers' Representative, on the other hand, shall promptly notify each other upon receipt by such party of written notice of any inquiries, claims, assessments, audits or similar events with respect to Taxes of the Company or the Company Subsidiaries in respect of which indemnification may be sought pursuant to Article 10 (any such inquiry, claim, assessment, audit or similar event, a " Tax Proceeding "). Any failure to so notify the other party of any Tax Proceeding shall not relieve such other party of any liability with respect to such Tax Proceeding except to the extent such party was actually prejudiced as a result thereof.

(b) Except with respect to Tax Proceedings relating to Entity Taxes, the Sellers' Representative shall control the conduct of any Tax Proceedings relating to Tax Returns filed for Pre-Closing Tax Periods, and Buyer agrees to pay the reasonable out-of-pocket expenses of the Sellers in connection with any such Tax Proceeding that is initiated by a third party. The Sellers' Representative shall notify the Buyer of any such Tax Proceedings and the Sellers' Representative shall not consent to any settlement of any Tax Proceeding if such settlement would adversely and materially affect Buyer (or the Company and the Company Subsidiaries) in any Tax period after the Closing Date without the prior written approval of the Buyer, which shall not be unreasonably withheld or delayed. Buyer shall control the conduct of any Tax Proceedings relating to Entity Taxes for Pre-Closing Tax Periods, provided that Buyer shall permit the Sellers' Representative to participate in any such Tax Proceedings and shall not effect or consent to any settlement or compromise thereof with respect to which the Sellers are liable to indemnify under this Agreement without obtaining the Sellers' Representative's prior written consent thereto, which shall not be unreasonably withheld or delayed.

Section 8.06 Tax Refunds.

(a) Any refunds of Indemnified Taxes and interest thereon that are received by Buyer, its Affiliates or the Company and any amounts credited against Tax to which Buyer, its Affiliates or the Company becomes entitled, in each case that relate to a Tax Return for a

Pre-Closing Tax Period (and not including any such refunds attributable to the subsequent amendment of such Tax Return by Buyer) shall be for the account of Sellers (such refunds, the " Refundable Taxes "), and Buyer shall pay over to the Sellers' Representative any such Refundable Taxes within twenty (20) Business Days after receipt or entitlement thereto. To the extent that a claim for refund or a proceeding results in a payment or credit against Tax to Buyer, its Affiliates, or the Company of any Tax taken into account in calculating the Closing Working Capital, Buyer shall pay to the Sellers' Representative such amount within ten (10) Business Days after receipt or entitlement thereto. In the event Buyer fails to pay any amount due under this Section 8.06(a) within the time period specified, then Buyer shall pay, in addition to the amounts due, interest on such amount at a rate per annum equal to five percent, calculated on the basis of actual days elapsed in a 365 day year, from the date of receipt or entitlement thereto, through the date prior to the date of payment.

(b) Any Tax refunds and interest thereon that are received by Sellers or their Affiliates and any amounts credited against Tax to which Sellers or their Affiliates become entitled, in each case that relate to (x) any Tax period or portion thereof beginning after the Closing Date, (y) any Tax refund relating to a Pre-Closing Tax Period that is received by Sellers solely as a result of an amended Tax Return filed by Buyer, and (z) any Straddle Period shall be for the account of the Buyer, and the Sellers shall pay over to the Buyer any such refund and interest or the amount of such credit within twenty (20) Business Days after receipt or entitlement thereto. In the event Sellers fail to pay any amount due under this Section 8.06(b) within the time period specified, then Sellers shall pay, in addition to the amounts due, interest on such amount at a rate per annum equal to five percent, calculated on the basis of actual days elapsed in a 365 day year, from the date of receipt or entitlement thereto, through the date prior to the date of payment.

(c) If Sellers pay an Indemnified Tax for a Pre-Closing Tax Period as a result of an adjustment by a governmental authority of a Tax Return for such period, and Buyer, its Affiliates or the Company realizes a Tax benefit (including without limitation a refund, credit or reduction) in a period other than a Pre-Closing Tax Period as a result of such adjustment, the amount of such Tax benefit shall be credited to Sellers in the manner described in Section 10.08.

Section 8.07 Purchase Price Adjustment . Any amount paid by the Sellers or Buyer under Section 2.04 , Article 8 or Article 10 will be treated as an adjustment to the Aggregate Purchase Price (including by Buyer and the Sellers on their respective Tax Returns) for Tax purposes to the extent permitted under Applicable Law.

Section 8.08 Exclusivity . To the extent any provision of this Article 8 conflicts with any provision of Article 10 , this Article 8 shall control.

ARTICLE 9
[RESERVED]

ARTICLE 10
SURVIVAL; INDEMNIFICATION

Section 10.01 Survival of Representations and Covenants . The representations and warranties of the Parties contained in this Agreement shall survive until the termination of the Escrow Period; provided, that (a) the representations and warranties contained in Section 5.21 (Tax Matters) (other than the representations and warranties in Section 5.21(p)) shall survive until the date that is thirty (30) days after the applicable statute of limitations for such representations and warranties expires, (b) the representations and warranties contained in Section 5.21(p) shall survive until the Section 5.21(p) Survival Date, and (c) the Company Fundamental Representations and the Seller Fundamental Representations, in each case, shall survive indefinitely; provided , further , that any claim that is properly asserted in writing pursuant to this Article 10 prior to the expiration of the survival period applicable to such representation or warranty set forth above shall survive until such claim is finally resolved and satisfied. All covenants and other agreements contained in this Agreement shall survive the Closing in accordance with their respective terms. It is the express intent of the Parties that, if the applicable survival period for an item as contemplated by this Section 10.01 is shorter than the statute of limitations that would otherwise have been applicable to such item, then, by contract, the applicable statute of limitations with respect to such item shall be reduced to the shortened survival period contemplated hereby. The Parties further acknowledge that the time periods set forth in this Section 10.01 for the assertion of claims under this Agreement are the result of arms'-length negotiation among the Parties and that they intend for the time periods to be enforced as agreed by the Parties.

Section 10.02 Indemnification by the Sellers.

(a) From and after the Closing, but subject to other provisions of this Article 10 , each Seller, severally and not jointly, hereby agrees to indemnify, defend and hold harmless, and agrees to pay on behalf of or reimburse the Indemnified Parties from and against any and all Damages which an Indemnified Party suffers, sustains or incurs after the Closing based upon or resulting from:

(i) any breach of any of the representations or warranties made by the Company in this Agreement or in any certificate the Company Closing Certificate (excluding any Company Fundamental Representations and the representations and warranties contained in Section 5.21 (Tax Matters)), which are addressed in clause (ii) and clause (v) below); provided, that the Parties acknowledge and agree that Sellers shall not indemnify the Indemnified Parties with respect to any breach of security or other unauthorized disclosure of personally identifiable information that occurs after the date hereof regardless of whether the Company or Sellers are in breach of the representations and warranties set forth in Section 5.13(g) ;

(ii) any breach of (A) any Company Fundamental Representations or (B) any of the representations or warranties contained in Section 5.21 (Tax Matters) (other than Section 5.21(p) which are addressed in clause (v) below);

(iii) any breach of or failure to perform any covenant or agreement made by the Company in this Agreement;

(iv) any breach of any of the representations or warranties made by such Seller in this Agreement (excluding any Seller Fundamental Representations, which are addressed in clause (vi) below, and any of the representations or warranties contained in Section 5.21 (Tax Matters) (other than Section 5.21(p)));

(v) any breach of any of the representations or warranties set forth in Section 5.21(p) .

(vi) any breach by such Seller of a Seller Fundamental Representation;

(vii) any breach of or failure to perform any covenant or agreement made by such Seller in this Agreement

(viii) any Transaction Expenses or Indebtedness of the Company or any of its Subsidiaries to the extent not fully discharged at the Closing and that have not been applied to reduce the calculation of the Closing Payment Amount; and

(ix) any Indemnified Taxes,

in each case without duplication.

(b) For purposes of Sections 10.02(a)(i) , (ii) , (iv) , (v) and (vi) , a breach shall be determined without regard to any qualification based on materiality, Material Adverse Effect or similar qualifier contained in such representation or warranty (it being understood that the word "Material" in the defined term "Material Contract(s)" and the qualification as to Material Adverse Effect contained in Section 5.07(a) shall not be disregarded for any such purposes). Additionally, a Party's entitlement to indemnification pursuant to this Agreement will not be affected by any examination made for or on behalf of any of the Parties or the knowledge of any of their respective officers, directors, Affiliates, employees, agents or representatives. Buyer shall take and shall cause the Company and their respective Affiliates to take all reasonable steps to mitigate any loss as required by Applicable Law upon becoming aware of any event which would reasonably be expected to, or does, give rise thereto (including by the pursuit of recovery under the reimbursement or indemnification provision of the Company's PEAs).

Section 10.03 Limitations on Liability.

(a) Notwithstanding the provisions of this Article 10 , (i) no Seller shall have any indemnification obligations for Damages under Sections 10.02(a)(i) or 10.02(a)(iv) unless

and until (A) such Damage or series of related Damages based on the same claim equals or exceeds $100,000, and (B) the aggregate amount of all such Damages exceeds an amount equal to $2,000,000 (the " Basket Amount "); provided , that from and after such time as the total amount of Damages actually incurred by the Indemnified Parties under Sections 8.02(a)(i) or 8.02(a)(iv) exceeds the Basket Amount then the Sellers shall be liable for all Damages, including the initial $2,000,000; (ii) in no event shall the aggregate indemnification to be paid by the Sellers for Damages under Sections 10.02(a)(i) or 10.02(a)(iv) exceed an amount equal to the amount then available (if any) in the Escrow Account; and (iii) no Seller shall have any indemnification obligations for Damages under Section 10.02(a)(v) unless and until (A) such Damage or series of related Damages based on the same claim, audit or assessment equals or exceeds $40,000 (the " Per Claim Worksite Basket ") and (B) the aggregate amount of all such Damages exceeds an amount equal to $200,000 (the " Threshold Worksite Basket "); provided , further , that (x) from and after such time as the total amount of Damages actually incurred by the Indemnified Parties under Section 8.02(a)(v) exceeds the Worksite Basket then (1) the Sellers shall be liable for all such Damages, including the initial $200,000 and (2) neither the Per Claim Worksite Basket nor the Threshold Worksite Basket shall serve to limit any future claims for indemnification under Section 8.02(a)(v) and (y) in no event shall the aggregate indemnification to be paid by the Sellers for Damages under Section 10.02(a)(v) exceed an amount equal to $10,000,000 plus the amount then available (if any) in the Escrow Account.

(b) Notwithstanding anything to the contrary contained herein but, in each case, subject to the terms of this Section 10.03(b) and the limitations set forth in this Agreement, (i) the Indemnified Parties' sole recourse with respect to indemnifiable claims for Damages under Sections 10.02(a)(i) and 10.02(a)(iv) shall be to the amount then available in the Escrow Account and (ii) the Indemnified Parties shall first seek recovery of Damages under Section 10.02(a)(v) from the amount then available in the Escrow Account; provided , however , to the extent that any Indemnified Party recovers amounts from the Escrow Account in satisfaction of any Damages under Section 10.02(a)(v) , such recovered amounts shall not reduce the amount that the Indemnified Parties may recover with respect to claims for which recovery is otherwise limited to the Escrow Account under clause (i) above and the Indemnified Parties may, provided that the funds in the Escrow Account have first been exhausted, pursue claims for Damages under Sections 10.02(a)(i) and 10.02(a)(iv) directly against the Indemnifying Parties in an aggregate amount not to exceed the funds distributed from the Escrow Account in satisfaction of Damages under Section 10.02(a)(v) ; provided , further , that for the avoidance of doubt, the aggregate amount of Damages recoverable by the Indemnified Parties under Sections 10.02(a)(i) and 10.02 (a)(iv) (whether from the Escrow Account of directly from the Sellers) shall not exceed $20,000,000. Furthermore, in no event will any Seller be liable under Section 10.02 of this Agreement for amounts in the aggregate in excess of the proceeds actually received by such Seller on account of the sale by such Person of its Equity Interests hereunder.

Section 10.04 Claims Procedure.

(a) If an Indemnified Party determines in good faith that such Indemnified Party has a bona fide claim for indemnification pursuant to this Article 10 , then Buyer (on behalf of any Indemnified Party) shall deliver to the Sellers' Representative a certificate signed by any officer of Buyer (a " Claim Certificate "):

(i) stating that an Indemnified Party has a claim for indemnification pursuant to this Article 10 ;

(ii) to the extent possible, contain a good faith non-binding, preliminary estimate of the amount to which such Indemnified Party claims to be entitled to receive, which shall be the amount of Damages such Indemnified Party claims to have so incurred or suffered or could reasonably be expected to incur or suffer (the " Estimated Claim Amount "); and

(iii) specifying in reasonable detail (based upon the information then possessed by Buyer) the material facts known to the Indemnified Party giving rise to such claim.

Subject to this Article 10 , no delay in providing such Claim Certificate shall affect an Indemnified Party's rights hereunder, unless (and then only to the extent that) the Indemnifying Party is materially prejudiced thereby.

(b) At the time of delivery of any Claim Certificate, the Indemnified Party shall deliver a duplicate copy of such Claim Certificate to the Escrow Agent (on behalf of itself or any other applicable Indemnified Party).

(c) If the Sellers' Representative objects to any claim made in any Claim Certificate, then such party may deliver a written notice (a " Claim Dispute Notice ") to the other parties during the thirty (30) calendar day period commencing upon receipt by the Sellers' Representative of the Claim Certificate. Any such Claim Dispute Notice shall set forth in reasonable detail the principal basis for the dispute of any claim made in the relevant Claim Certificate.

(d) With respect to a Claim Certificate, whether or not Sellers' Representative delivers a Claim Dispute Notice, Buyer and the Sellers' Representative shall attempt in good faith to resolve any disputes relating to such Claim Certificate. If Buyer and the Sellers' Representative agree to a resolution of the Claim Certificate, then Sellers' Representative shall, if such resolution requires any payment by the Indemnifying Party to an Indemnified Party be made from the then remaining funds in the Escrow Account pursuant to the first sentence of Section 10.03(b) , direct the Escrow Agent to distribute cash in the amount of such payment from the Escrow Account in accordance therewith, or as otherwise required pursuant to this Article 10 , the Indemnifying Party shall make payment to the Indemnified Party; provided , that Buyer may elect, in its sole discretion, to recover the amount of such payment (or any portion thereof) from the amount then available in the Escrow Account (and the Sellers' Representative shall take any and all actions necessary to cause the release of such funds from the Escrow Account).

(e) If no such resolution can be reached during the forty-five (45) calendar day period following receipt of a given Claim Dispute Notice, then upon the expiration of such forty-five (45) calendar day period, either Buyer or the Sellers' Representative may bring suit to resolve the objection in accordance with Sections 11.07 and 11.08 .

Section 10.05 Third-Party Claims.

(a) Each Indemnified Party shall give Sellers' Representative prompt notice of the commencement of any claim or Proceeding with respect to which Sellers may become obligated to indemnify such Indemnified Party pursuant to this Article 10 ; provided , however , that any failure on the part of such Indemnified Party to promptly notify Sellers' Representative shall not limit any of the obligations of Sellers under this Article 10 (except and only to the extent such failure prejudices the defense of such claim or Proceeding). Such notice shall describe the claim or Proceeding in reasonable detail, shall, to the extent legally permitted, include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Damages that have been or may be sustained by the Indemnified Party.

(b) In the event of the assertion or commencement by any Person (other than a party to this Agreement) of any claim or Proceeding with respect to which Sellers may become obligated to indemnify any Indemnified Party pursuant to this Article 10 , the Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party within thirty (30) Business Days of the Indemnifying Party's receipt of notice of such claim or Proceeding, to assume the defense of such claim or Proceeding at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense. In the event the Indemnifying Party timely assumes the defense of such claim or Proceeding, (i) subject to Section 10.05(c) , it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such claim or Proceeding in the name of and on behalf of the Indemnified Party and (ii) the Indemnified Party may participate, at its own expense, in the defense of such claim or Proceeding. If the Indemnifying Party elects not to defend such claim or Proceeding, the Indemnified Party may, subject to Section 10.05(c) , defend such third-party claim and seek indemnification for any and all Damages based upon, or arising from or relating to such claim or Proceeding. Notwithstanding anything herein to the contrary, the Indemnifying Party will not be entitled to assume control of the defense of any claim or Proceeding, if: (A) the Indemnifying Party has failed or is failing to actively and diligently prosecute or defend such claim, and is provided written notice of such failure by the Indemnified Party and such failure is not reasonably cured within ten (10) Business Days of receipt of such notice; (B) the claim or Proceeding involves an allegation of criminal, quasi-criminal or fraudulent activity by the Indemnified Party or any of its Affiliates; (C) such claim or Proceeding includes any reasonably justifiable claim to obtain an injunction, restraining order, declaratory relief or other non-monetary relieve against the Indemnified Person; or (D) the claim or Proceeding seeks monetary damages which, together with any Damages previously paid by or on behalf of the Indemnifying Party or Parties in satisfaction of any claims for indemnification under this Agreement, plus any Damages reasonably expected to be incurred in connection with such

claim or Proceeding, exceed the then remaining aggregate amount for which the Indemnifying Party or Parties would be responsible pursuant to this Article 10 . Sellers and Buyer shall use commercially reasonable efforts to cooperate with each other in connection with the defense of any such claim or Proceeding, including making available records relating to such claim or Proceeding and furnishing, without expense to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation and conduct of the defense of such claim or Proceeding.

(c) Neither any Indemnified Party nor any Seller shall settle or compromise any such claim or Proceeding without the prior written consent of Seller or the Indemnified Party against whom such claim or Proceeding has been commenced, as the case may be, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 10.06 No Contribution . No Seller shall have, or be entitled to exercise or assert (or attempt to exercise or assert), any right of contribution, right of indemnity or other right or remedy against Buyer or any other Person in connection with any indemnification obligation or any other liability to which it may become subject under or in connection with this Agreement (unless Buyer shall have consented thereto).

Section 10.07 Calculation of Damages; Insurance Proceeds . The amount of any Damages that are subject to indemnification, compensation or reimbursement under this Article 10 shall be calculated net of the amount of any insurance proceeds, indemnification payments, contribution payments or reimbursements actually received by the Indemnified Parties in respect of such Damages (in each case, net of costs of enforcement, deductibles, actual and directly related premium increases and retro-premium adjustments). Buyer shall use commercially reasonable efforts to seek, and shall cause each of its controlled Affiliates (including the Company) to use commercially reasonable efforts to seek full recovery under all insurance policies covering any Damages to the same extent as they would if such Damages were not subject to indemnification, compensation or reimbursement hereunder. In the event that any insurance or other recovery is actually made by Buyer or any Affiliate of Buyer with respect to any Damages for which Buyer or any such Affiliate has been indemnified, compensated or reimbursed hereunder, then a refund equal to the aggregate amount of the actual recovery (net of costs of enforcement, deductibles, actual and directly related premium increases and retro-premium adjustments) shall be made promptly to Sellers.

Section 10.08 Tax Benefits . The amount of any Damages that are subject to indemnification, compensation or reimbursement under Section 10.02(a)(ii)(B) or Section 10.02(a)(ix) shall be calculated net of the amount of any Tax benefit described in Section 8.06(c) .

Section 10.09 Worksite Tax Benefits . The amount of any Damages that are subject to indemnification, compensation or reimbursement under Section 10.02(a)(v) shall be calculated net of the amount of any refunds of Taxes and interest thereon that are received by Buyer, its Affiliates or the Company and any amounts credited against Tax to which Buyer, its Affiliates or the Company becomes entitled, in each case that relate to Taxes withheld or paid in a Pre-Closing Tax Period in connection with amounts paid or owing to any Worksite Employee.

Section 10.10 Subrogation. To the extent that any Indemnified Party is entitled to indemnification, compensation or reimbursement pursuant to this Article 10 , (a) Sellers shall be entitled to exercise, and shall be subrogated to, any rights and remedies (including rights of indemnity, rights of contribution and other rights of recovery) that such Indemnified Party may have against any other Person with respect to any Damages, circumstances or matter to which such indemnification, compensation or reimbursement is directly or indirectly related; and (b) such Indemnified Party shall permit Sellers to use the name of such Indemnified Party in any transaction or in any proceeding or other matter involving any of such rights or remedies, and such Indemnified Party shall take such actions as Sellers may reasonably request for the purpose of enabling Sellers to perfect or exercise the right of subrogation of Sellers under this Section 10.08 ; provided , in each case, that the Sellers shall consult with Buyer in good faith prior to the exercise of any rights or remedies under this Section 10.08 .

Section 10.11 Release of Escrow Amount . If, upon the expiration of the Escrow Period, (a) no claim by any Indemnified Party for Damages remains outstanding or the Estimated Claim Amount of any and all claims then outstanding is less than the remaining Escrow Amount, (b) no required payment from the Escrow Account pursuant to this Article 10 remains outstanding or any required payments from the Escrow Account are less than the then remaining Escrow Amount and (c) any portion of the Escrow Account remains undistributed, subject to the terms and conditions of the Escrow Agreement, Buyer and the Sellers' Representative shall deliver written authorization to the Escrow Agent within five (5) Business Days after the expiration of the Escrow Period instructing the Escrow Agent to pay to each Seller such Seller's Applicable Percentage of the then remaining amount of the Escrow Account (less the Estimated Claim Amount for any and all claims then outstanding and less any and all required payments from the Escrow Account then outstanding), including any interest or dividends paid thereon, in accordance with the Escrow Agreement.

Section 10.12 Exclusive Remedy . Subject to any injunction or other equitable remedies that may be available to any Indemnified Party, from and after the Closing, Sellers shall not be liable or responsible in any manner whatsoever (whether for indemnification or otherwise) to any Indemnified Party for a breach of this Agreement or in connection with the transactions contemplated by this Agreement except as expressly provided in this Article 10 , and, subject to the foregoing, this Article 10 provides the exclusive remedy and cause of action of each of the Indemnified Parties against Sellers with respect to any matter arising out of or in connection with a breach of this Agreement or in connection with the transactions contemplated by this Agreement; provided , that notwithstanding anything in this Article 10 to the contrary, any Party which suffers any Damages by reason of a willful misrepresentation of Sellers in this Agreement constituting fraud shall be entitled to seek recovery therefor from the relevant Seller without regard to any limitation set forth in this Agreement (whether a temporal limitation, a dollar limitation or otherwise).

ARTICLE 11
MISCELLANEOUS

Section 11.01 Confidentiality; Publicity.

(a) For a period of three (3) years following the Closing Date, each Seller shall treat and hold as confidential any information concerning the business and affairs of the Company that is not already generally available to the public, except to the extent that such information: (i) is now or becomes generally available to or generally known by the public (other than as a result of a breach of this Section 11.01(a) by such Seller); (ii) is lawfully acquired by such Seller, any of its Affiliates or the respective representatives of such Seller or any of its Affiliates from and after the Closing from sources which are not known to such Seller to be prohibited from disclosing such information by a legal, contractual or fiduciary obligation; (iii) was independently developed by such Seller or any of its Affiliates after the Closing without the use of or reference to any information referred to above; (iv) is required to be disclosed under any Applicable Law; or (v) is required to be disclosed in any filing with any Tax authority (the " Confidential Information "). In the event that any Seller is required or requested (by oral question or request for information or documents in any Proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, such Seller shall notify Buyer promptly of the request or requirement so that Buyer may seek, at Buyer's expense, an appropriate protective order or waive compliance with the provisions of this Section 11.01(a) . If, in the absence of a protective order or the receipt of a waiver hereunder, any Seller is, on the advice of counsel, required under Applicable Law to disclose any Confidential Information, such Seller may disclose the Confidential Information; provided , that such disclosing Seller shall use his, her or its commercially reasonable efforts to obtain, at the request of Buyer, an order or other assurance that confidential treatment shall be accorded to such portion of the Confidential Information required to be disclosed as Buyer shall designate.

(b) None of Buyer, the Company or any Seller shall (and shall not permit their respective Affiliates or representatives to) issue any press release or make any public statement (not already made) regarding this Agreement or regarding any of the other transactions or documents contemplated by this Agreement, without the prior written consent of the other party, it being understood that the Parties intend to issue a customary joint press release mutually agreed upon by the Parties; provided however , that the Buyer or the Company may issue or make such public statements regarding this Agreement or the transactions contemplated hereby (other than with respect to the purchase price paid to the Sellers hereunder) as such party, in its reasonable discretion, determines after notice to, and consultation with, the Sellers' Representative; provided further , that Buyer may make any public disclosure as required on the advice of counsel (including internal counsel) by the United States Securities and Exchange Commission or the rules and requirements of any applicable stock exchange in Buyer's sole discretion without prior consultation with the Sellers' Representative.

(c) Notwithstanding anything to the contrary in this Agreement, Greg Slamowitz shall be permitted to continue his publishing and public speaking activities consistent with his current practice including publications or presentations describing the Company, its business and the transactions contemplated by this Agreement (provided, that in connection with such publications or presentations, Mr. Slamowitz does not use or disclose any (x) confidential or non-public information of or pertaining to the Company and/or its Subsidiaries or any clients or personnel of the Company and/or any of its Subsidiaries, (y) trade secrets of Buyer or any of its Affiliates (including the Company or any of its Subsidiaries), and provided further that Mr. Slamowitz shall have no license, right or other immunity under or to any Company Intellectual Property, or (z) confidential or non-public particulars of this Agreement (including any terms relating to the economics of the transactions contemplated by this Agreement)), and neither Buyer nor the Company or its Subsidiaries have or shall have rights (whether intellectual property rights, royalty or other rights, financial or otherwise) in any such activities (including without limitation in the book "Flip the Pyramid"). Buyer and Mr. Slamowitz shall from time to time discuss in good faith the scope of Mr. Slamowitz' presentations.

Section 11.02 Appointment of Sellers' Representative.

(a) Powers of Attorney . Each Seller irrevocably constitutes and appoints Greg Slamowitz and John Iorillo, acting jointly (the " Sellers' Representative ") as such Seller's true and lawful agent, proxy and attorney-in-fact and agent and authorizes the Sellers' Representative acting for such Seller and in such Seller's name, place and stead, in any and all capacities to do and perform every act and thing required or permitted to be done by such Seller or the Sellers' Representative hereunder or otherwise in connection with the agreements and transactions contemplated by this Agreement, as fully to all intents and purposes as such Person might or could do in person, including, without limitation:

(i) determine the presence (or absence) and direct the payment of proceeds of claims for indemnification against Buyer pursuant to Article 10 ;

(ii) deliver all notices required to be delivered by such Seller under this Agreement, including, without limitation, any notice of a claim for which indemnification is sought under Article 10 ;

(iii) receive all notices required to be delivered to such Seller under this Agreement, including, without limitation, any notice of a claim for which indemnification is sought under Article 10 ;

(iv) take any and all action on behalf of such Seller from time to time as the Sellers' Representative may deem necessary or desirable to defend, pursue, resolve and/or settle disputes or claims under this Agreement, including, without limitation, regarding any Item of Dispute under Section 2.4 or the and claims for indemnification under Article 10 ;

(v) vote or consent on behalf of Sellers with respect to matters under this Agreement or the transactions contemplated hereby; and

(vi) to engage and employ agents and representatives (including accountants, legal counsel and other professionals) and to incur such other expenses as he deems necessary or prudent in connection with the administration of the foregoing.

Each Seller grants unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing necessary or desirable to be done in connection with the transactions contemplated by this Agreement, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the Sellers' Representative may lawfully do or cause to be done by virtue hereof. Each Seller will, by executing this Agreement agree that such agency, proxy and power of attorney are coupled with an interest, and are therefore irrevocable without the consent of the Sellers' Representative and Buyer and shall survive the death, incapacity, or bankruptcy of such Seller. Each Seller acknowledges and agrees that upon execution of this Agreement, any delivery by the Sellers' Representative of any waiver, amendment, agreement, opinion, certificate or other documents executed by the Sellers' Representative or any decisions made by the Sellers' Representative pursuant to this Section 11.02 , such Seller shall be bound by such documents or decision as fully as if such Seller had executed and delivered such documents or made such decisions.

(b) Liability . The Sellers' Representative shall not have by reason of this Agreement a fiduciary relationship in respect of any Seller, except in respect of amounts received on behalf of such Seller. The Sellers' Representative shall not be liable to any Seller for any action taken or omitted by him or any agent employed by him hereunder or under any other Ancillary Agreement, or in connection therewith, except that the Sellers' Representative shall not be relieved of any liability imposed by law for gross negligence or willful misconduct. The Sellers' Representative shall not be liable to Sellers for any apportionment or distribution of payments made by him in good faith, and if any such apportionment or distribution is subsequently determined to have been made in error the sole recourse of any Seller to whom payment was due, but not made, shall be to recover from other Sellers any payment in excess of the amount to which they are determined to have been entitled. The Sellers' Representative shall not be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement.

(c) Replacement of the Sellers' Representative . Upon the death, disability or incapacity of the initial Sellers' Representative appointed pursuant to Section 11.02(a) above, each Seller acknowledges and agrees that such Sellers' Representative's executor, guardian or legal representative, as the case may be, shall (in consultation with Sellers) appoint a replacement reasonably believed by such person (and approved by Buyer) as capable of carrying out the duties and performing the obligations of the Sellers' Representative hereunder within thirty (30) days. In the event that the Sellers' Representative resigns for any reason, the Sellers' Representative shall (in consultation with Sellers and approved by Buyer) select another representative to fill such vacancy. Any substituted representative shall be deemed the Sellers' Representative for all purposes of this Agreement and the Ancillary Agreement.

(d) Actions of the Sellers' Representative; Liability of the Sellers' Representative . Each Seller agrees that Buyer shall be entitled to rely on any action taken by

the Sellers' Representative, on behalf of Sellers, pursuant to Section 11.02(a) above (each, an " Authorized Action "), and that each Authorized Action shall be binding on each Seller as fully as if such Seller had taken such Authorized Action. Buyer agrees that the Sellers' Representative shall have no liability to Buyer for any Authorized Action, except to the extent that such Authorized Action is found by a final order of a court of competent jurisdiction to have constituted fraud or willful misconduct. Sellers jointly and severally agree to pay, and to indemnify and hold harmless, each of the Indemnified Parties from and against any Damages which they may suffer, sustain, or become subject to, as the result of any claim by any Person that an Authorized Action is not binding on, or enforceable against, Sellers. In addition, Sellers hereby release and discharge Buyer from and against any liability arising out of or in connection with the Sellers' Representative's failure to distribute any amounts received by the Sellers' Representative on Sellers' behalf to Sellers.

Section 11.03 Notices . All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission or electronic mail) and shall be given,

if to Buyer, to:

c/o TriNet Group, Inc.

1100 San Leandro Blvd.
Suite 400
San Leandro, CA 94577
Facsimile: (510) 315-3111
Attention: James Franzone

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

c/o TriNet Group, Inc.
1100 San Leandro Blvd.
Suite 400
San Leandro, CA 94577
Facsimile: (510) 315-3111
Attention: Greg Hammond

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

Cooley LLP
101 California Street
San Francisco, California 94111
Attention: Craig Jacoby
Jamie K. Leigh
Facsimile No.: (415) 693-2000

if to Sellers or Sellers' Representative, to:

John Iorillo
26 Cobb Island Drive
Greenwich, CT
E-mail: johniorillo@gmail.com

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

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Filip Moerman
Facsimile No.: (212) 225-3999

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. PST in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 11.04 Amendments and Waivers.

(a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each Party to this Agreement, or in the case of a waiver, by the Party against whom the waiver is to be effective. Notwithstanding the immediately preceding sentence, without the prior written consent of Sellers, each of Buyer and its permitted assigns may at any time, in its sole discretion, assign, in whole or in part, (a) its rights and obligations pursuant to this Agreement and the Ancillary Agreement to one or more of its Affiliates; (b) its rights under this Agreement and the Ancillary Agreement for collateral security purposes to any lender providing financing to Buyer, the Company, such permitted assign or any of their Affiliates and any such lender may exercise all of the rights and remedies of Buyer or such permitted assign hereunder and thereunder; and (c) its rights under this Agreement and the Ancillary Agreement, in whole or in part, to any subsequent purchaser of Buyer, the Company, such permitted transferee or any of their divisions or any material portion of their assets (whether such sale is structured as a sale of Company Shares, sale of assets, merger, recapitalization or otherwise).

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

Section 11.05 General Release.

(a) As of the Closing, each of the Sellers, on behalf of itself and each of its predecessors, successors, personal representatives and assigns, hereby irrevocably releases and forever discharges the Company and Buyer, and each of their respective officers, directors, shareholders, equity holders, employees, Subsidiaries, predecessors, successors and assigns (each a " Released Party " and collectively, the " Released Parties "), for and from any and all manners of actions, causes, causes of action, suits, debts, dues, compensation, wages, bonuses, Liabilities, rights, costs, expenses (including, without limitation attorneys' fees and costs), bonds, bills, covenants, contracts, controversies, executions, claims and demands, of whatever kind or nature, in law or in equity, known or unknown, foreseen or unforeseen, vested or contingent, matured or unmatured, suspected or unsuspected, and whether or not concealed or hidden, whichever have or may have existed, or which do exist, that may now or hereafter at any time be made or brought against any Released Party by such Seller by reason of or in connection with any matter, cause, thing, action or omission whatsoever, arising, occurring, relating to or in respect of any time up through and including the date hereof (collectively, the " Released Matters "); provided that nothing in this paragraph will release any Released Party from any obligations under this Agreement (including the matters set out in the schedules thereto) or any other Ancillary Agreement. For the avoidance of doubt, the Released Matters shall include, without limitation, any right to recover against the Company for any indemnification claims made against or paid by any Seller pursuant to Article 10 . From and after the date hereof, each Seller agrees on behalf of himself, herself or itself to not, directly or indirectly (including, without limitation, in a derivative proceeding), assert any claim or demand or commence, institute or maintain, or cause to be commenced, instituted, or maintained, or knowingly facilitate or assist any other party in commencing, instituting or maintaining, any Proceeding of any kind against any of the Released Parties based upon or with respect to any Released Matter(s).

(b) Each Seller shall indemnify and hold the Released Parties harmless from and against all Damages arising from or in connection with the assertion by such Seller of any claim based upon or with respect to any Released Matter(s) or the breach of any of the covenants of such Seller set forth in this Section 11.05 .

Section 11.06 Expenses . Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

Section 11.07 Successors and Assigns . The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of each other party hereto.

Section 11.08 Governing Law . This Agreement shall be governed by and construed in accordance with the law of the State of New York, without regard to the conflicts of law rules of such state.

Section 11.09 Jurisdiction . With respect to any Proceeding relating to or arising out of this Agreement or any other transaction contemplated hereby or thereby, each of the Parties irrevocably and unconditionally submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York located in the borough of Manhattan in the City of New York (and any appellate courts of the foregoing), or if such court will not accept jurisdiction, the Supreme Court of the State of New York, New York County. In any such Proceeding, each of the Parties irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise (i) any claim that it is not subject to the jurisdiction of the above courts, (ii) that its property is exempt or immune from attachment or execution, (iii) that such Proceeding is brought in an inconvenient forum, (iv) that the venue of such Proceeding is improper, (v) that such Proceeding should be transferred or removed to any court other than one of the above-named courts, or should be stayed by reason of the pendency of some other proceeding in any other court other than one of the above-named courts, or that this Agreement or the subject matter hereof may not be enforced in or by such courts. Each of the Parties hereby agrees not to commence any such Proceeding other than before one of the above-named courts. Each of the Parties also hereby agrees that any final and non-appealable judgment against a party in connection with any such Proceeding shall be conclusive and binding on such party and that such judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment. With respect to any Proceeding for which it has submitted to jurisdiction pursuant to this Section 11.09 , each Party irrevocably consents to service of process in the manner provided for the giving of notices pursuant to Section 11.03 of this Agreement. Nothing in this Section 11.09 shall affect the right of any Party to serve process in any other manner permitted by Applicable Law. The foregoing consent to jurisdiction shall not (a) constitute submission to jurisdiction or general consent to service of process in the State of New York for any purpose except with respect to any Proceeding resulting from, relating to or arising out of this Agreement or (b) be deemed to confer rights on any Person other than the respective parties to this Agreement.

Section 11.10 Waiver of Jury Trial . EACH OF THE PARTIES HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT ENTERED INTO IN CONNECTION HEREWITH OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. EACH OF THE PARTIES (A) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY CLAIM, ACTION OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER AGREEMENTS CONTEMPLATED HEREBY, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.10 .

Section 11.11 Non-Compete; Non-Solicitation.

(a) During the period beginning on the Closing Date and ending on the third (3rd) anniversary of the Closing Date (the "Non-Compete Period"), each of the Sellers shall not, and shall not allow any of its respective Affiliates to, engage (whether as an owner, operator, manager, employee, officer, director, consultant, advisor, representative or otherwise), directly or indirectly anywhere in North America and Canada in any business that the Company conducts or proposes to conduct as of the Closing Date (including, without limitation, the Business); provided, that (i) ownership of less than three percent (3%) of the outstanding stock of any publicly-traded corporation shall not be deemed to be engaging solely by reason thereof in any of its business and (ii) the Wellness Rebate Business shall not be restricted or affected hereunder. Each such Seller expressly acknowledges and agrees that each and every restriction imposed by this Section 11.11 is reasonable with respect to subject matter, time period and geographical area.

(b) Each Seller agrees that for a period of eighteen (18) months following the Closing Date (the "Non-Solicitation Period"), such Seller shall not, and shall not permit any of its Affiliates to, directly or indirectly, contact, approach or solicit for the purpose of offering employment to or hiring (whether as an employee, consultant, agent, independent contractor or otherwise) or actually hire any Person who is a Company Employee as of the Closing Date or during the Non-Solicitation Period, without the prior written consent of Buyer; provided, that the foregoing shall not prohibit the Sellers (i) from placing or making any general solicitations that are not specifically directed at Company Employees thus covered or (ii) from soliciting or hiring any Company Employee whose employment at the Company is terminated not less than ninety (90) days before such Company is first solicited or hired by such Seller.

(c) Each Seller acknowledges and agrees that in the event of a breach by any Seller (or any of such Seller's Affiliates) of any of the provisions of this Section 11.11 monetary damages may not constitute a sufficient remedy. Consequently, in the event of any such breach, the Company, Buyer and/or their respective successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce or prevent any violations of the provisions hereof, in each case without the requirement of posting a bond or proving actual damages.

(d) If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section 11.11 is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

(e) Each Seller acknowledges and agrees that (i) the restrictions contained in this Section 11.11 are reasonable in all respects (including, without limitation, with respect to the subject matter, time period and geographical area) and are necessary to protect Buyer's

interest in, and value of, the Equity Interests (including, without limitation, the goodwill inherent therein), (ii) the Sellers are primarily responsible for the creation of such value, and (iii) Buyer would not have consummated the transactions contemplated hereby without the restrictions contained in this Section 11.11 .

Section 11.12 Counterparts; Effectiveness; Third Party Beneficiaries . This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument, and any of which may be delivered by facsimile or electronically in portable document format (.pdf). This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by all of the other parties hereto. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the parties hereto and their respective successors and assigns.

Section 11.13 Entire Agreement . This Agreement, the Confidentiality Agreement, the Ancillary Agreement and the documents, agreements, certificates and instruments contained herein and therein, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

Section 11.14 Severability . If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental 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.

Section 11.15 Specific Performance . The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity.

[*Signature page follows* **]**

IN WITNESS WHEREOF, the parties hereto have caused this Equity Purchase Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

TRINET GROUP, INC.

By: /s/ Burton M. Goldfield
Name: Burton M. Goldfield
Title: President and Chief Executive Officer

AMBROSE EMPLOYER GROUP, LLC

By: /s/ John Iorillo
Name: John Iorillo
Title: CO-CEO

GREGORY SLAMOWITZ

/s/ Gregory Slamowitz

JOHN IORILLO

/s/ John Iorillo

MARC DWEK

/s/ Marc Dwek

FORM OF ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this " Escrow Agreement ") is made and entered into on July 1, 2013, by and among TriNet Group, Inc., a Delaware corporation (" Buyer "), Greg Slamowitz and John Iorillo, acting jointly solely their capacity as agent, proxy and attorney-in-fact for the Sellers (" Sellers' Representative "), Marc Dwek (together with Sellers' Representative, " Sellers ") and U.S. Bank National Association, as escrow agent (the " Escrow Agent "). Each of Sellers' Representative, Buyer and the Escrow Agent may be referred to herein as a " Party " and collectively as the " Parties ". Capitalized terms used in this Escrow Agreement without definition shall have the respective meanings given to such terms in the Purchase Agreement (as defined below).

RECITALS

WHEREAS, Ambrose Employer Group, LLC, a New York limited liability company (the " Company "), Buyer, Sellers' Representative and certain other parties have entered into that certain Equity Purchase Agreement, dated as of the date hereof (as amended or modified from time to time, the " Purchase Agreement "), pursuant to which Buyer has agreed to purchase all of the issued and outstanding equity interests of the Company; and

WHEREAS, the Purchase Agreement contemplates the execution and delivery of this Escrow Agreement and the deposit by Buyer with the Escrow Agent of $20,000,000 in cash in order to provide a source of funding as described in the Purchase Agreement (the " Escrow Amount ").

AGREEMENTS

NOW, THEREFORE, pursuant to the Purchase Agreement and in consideration of these premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree hereby as follows:

1. Delivery & Payment of Escrow Amount; Appointment & Acceptance of Escrow Agent .

Buyer and Sellers hereby designate and appoint the Escrow Agent to serve as escrow agent with respect to the Escrow Amount in accordance with the terms, conditions and provisions of this Escrow Agreement. The Escrow Agent hereby agrees to act as escrow agent in accordance with the terms, conditions and provisions of this Escrow Agreement. Buyer hereby delivers simultaneously with the execution of this Agreement cash in the aggregate amount of $20,000,000 in respect of the Escrow Amount, and the Escrow Agent hereby acknowledges receipt of the same. The Escrow Amount shall be held in trust by the Escrow Agent pursuant to the terms of this Escrow Agreement with the escrow account holding the Escrow Amount (including all interest, dividends and other income earned thereon) referred to herein as the " Escrow Account ". The Escrow Amount shall be held as a trust fund and except as otherwise expressly set forth herein, shall not be subject to any lien, attachment, trustee process or any other judicial process of any creditor of any Seller or any creditor of a Party hereto. The Escrow Agent shall provide Buyer and Sellers' Representative quarterly statements related to the Escrow Account.

2. Release of Escrow Amount by the Escrow Agent .

The Escrow Amount shall be released in accordance with the terms of this Escrow Agreement and the Purchase Agreement. The Escrow Agent will release all or any portion of the Escrow Account to such person or persons as Buyer and Sellers' Representative shall direct in a written notice delivered to the Escrow Agent and signed by both Buyer and Sellers' Representative (such notice, a " Joint Written Instruction "), within one (1) Business Day of receipt of such Joint Written Instructions. In the absence of any such Joint Written Instructions, the Escrow Agent will not disburse or otherwise release all or any portion of the Escrow Account unless and until the Escrow Agent receives a written final and non-appealable order from a court of competent jurisdiction directing the Escrow Agent to disburse or release all or any portion of the Escrow Account. Each of

Buyer, on the one hand, and the Sellers' Representative, on the other, represents, warrants and covenants to the other Party that each document, notice, instruction or request provided by such Party to the Escrow Agent shall comply with applicable laws and regulations. The Escrow Agent hereby agrees and covenants with Buyer and Sellers that it shall perform all of its obligations under this Escrow Agreement and shall not deliver custody or possession of any portion of the Escrow Amount to anyone except pursuant to the express terms of this Escrow Agreement or as otherwise required by law.

3. General Provisions .

The U.S. Bank National Association General Provisions attached hereto as Exhibit A are hereby incorporated into this Escrow Agreement.

4. Escrow Agent Fees and Expenses .

The Escrow Agent's fees shall be paid in advance in accordance with the Fee Schedule attached hereto as Exhibit B . Fifty percent (50%) of all fees and expenses of the Escrow Agent shall be paid by Buyer and fifty percent (50%) of all fees and expenses of the Escrow Agent shall be paid by the Sellers' Representative (on behalf of the Sellers).

5. Investment of Escrow Account; Tax Distribution .

Unless the Escrow Agent receives Joint Written Instructions from Buyer and Sellers' Representative to the contrary, the Escrow Agent will invest the funds within the Escrow Account in a U.S. Bank Money Market Account which is insured by the FDIC (as described on Exhibit C attached hereto) and in no other investments. The Escrow Agent may, with notice to Buyer and Sellers' Representative, sell or liquidate the foregoing investments at any time if the proceeds thereof are required for any release of funds permitted or required hereunder. Subject to the other terms hereof, interest, dividends and other income earned on the Escrow Amount shall become part of the Escrow Amount. The Parties hereto agree that, for federal and state income tax purposes only, any income earned on or derived from the Escrow Amount shall be allocated to Sellers in accordance with each Seller's Applicable Percentage (as defined in the Purchase Agreement). Notwithstanding anything to the contrary herein, no later than thirty (30) days after the end of each calendar year in which interest or other income from the investment of the Escrow Amount is allocated to Sellers pursuant to this Section 5 (the " Allocated Income "), the Escrow Agent shall, without any further action required by any of Buyer, Sellers' Representative or Sellers, distribute, in accordance with each Seller's Applicable Percentage an aggregate amount from the Escrow Account equal to forty percent (40%) of the Allocated Income. The Escrow Agent shall deliver to Sellers' Representative a copy of each tax reporting form submitted to the IRS to report the interest and other income earned on the Escrow Amount within thirty (30) days of each calendar year end.

6. Notices .

All notices, demands and requests required or permitted to be given under the provisions of this Escrow Agreement must be in writing and shall be deemed to have been sufficiently given when received if personally delivered or by facsimile transmission or, if mailed by registered or certified mail, with return receipt requested, or overnight mail addressed as follows:

(a) If to Buyer, to:

TriNet Group, Inc.
1100 San Leandro Blvd.
Suite 400
San Leandro, CA 94577
Facsimile: (510) 315-3111
Attention: James Franzone

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

c/o TriNet Group, Inc.
1100 San Leandro Blvd.
Suite 400
San Leandro, CA 94577
Facsimile: (510) 315-3111
Attention: Greg Hammond
Email: greg.hammond@trinet.com

and

Cooley LLP
101 California Street, 5th Floor
San Francisco, CA 94111
Facsimile: (415) 693-2222
Attention: Craig Jacoby
Jamie K. Leigh

(b) If to Sellers' Representative or Sellers, to:

John Iorillo
[Address]
[Address]
[Address]

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

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Filip Moerman
Facsimile: (212) 225-3999

(c) If to the Escrow Agent, to:

U.S. Bank National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Danielle Fung
Facsimile: (415) 677-3768

7. Termination .

If the Escrow Amount is reduced to zero, or has been released in its entirety pursuant to the terms of this Escrow Agreement and the Purchase Agreement, this Escrow Agreement shall immediately terminate and be of no further force or effect, and no further fees or expenses shall be invoiced by the Escrow Agent pursuant hereto except for unbilled fees or expenses incurred by the Escrow Agent prior to such time.

8. Entire Agreement; Conflicts .

This Escrow Agreement, together with the applicable provisions of the Purchase Agreement, shall constitute the entire understanding and agreement of the Parties hereto with respect to the subject matter hereof and supersedes all other prior agreements and understandings, written or oral, between the Parties or any of their respective Affiliates with respect to such subject matter. As between Buyer and Sellers' Representative, in the event of any conflict between the provisions of this Escrow Agreement and the Purchase Agreement, the Purchase Agreement shall govern.

9. Amendment; Waiver .

This Escrow Agreement or any provision hereof may be amended, modified or waived only by a writing signed by Buyer, the Escrow Agent and Sellers. No waiver of any of the provisions of this Escrow Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

10. Headings .

The headings in this Escrow Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Escrow Agreement.

11. Governing Law; Jurisdiction; Waiver of Jury Trial .

This Escrow Agreement is to be governed and interpreted under the laws of the State of New York, without regard to the conflicts of law rules of such state. In the event of any dispute under this Escrow Agreement, each Party irrevocably and unconditionally submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York located in the borough of Manhattan in the City of New York (and any appellate courts of the foregoing), or if such court will not accept jurisdiction, the Supreme Court of the State of New York, New York County and waives any objection to such jurisdiction on the grounds of venue, forum non conveniens or any similar grounds. The Parties hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Escrow Agreement.

12. Assignment .

This Escrow Agreement may not be transferred, assigned, pledged or hypothecated by any Party without the consent of the other Parties hereto, which consent will not be unreasonably withheld with respect to a transfer, assignment, pledge or hypothecation by Buyer or Sellers. This Escrow Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective administrators, successors and permitted assigns.

* * * * * *

IN WITNESS WHEREOF, the Parties hereto have executed this Escrow Agreement as of the date first above written.

ESCROW AGENT:

U.S. BANK NATIONAL ASSOCIATION

By: _____
Name:
Title:

[Signature Page to Escrow Agreement]

BUYER:

TRINET GROUP, INC.

By: _____
Name: William Porter
Title: Chief Financial Officer

[Signature Page to Escrow Agreement]

SELLERS:

Greg Slamowitz

John Iorillo

Marc Dwek

[Signature Page to Escrow Agreement]

Exhibit A

General Provisions for
Corporate Escrow Agreements

LIABILITY OF ESCROW AGENT

In performing any duties under this Escrow Agreement, the Escrow Agent shall not be liable to any Party for consequential damages (including, without limitation lost profits), losses, or expenses, except for gross negligence or willful misconduct on the part of the Escrow Agent. The Escrow Agent shall not incur any such liability for (I) any act or failure to act made or omitted in good faith, or (II) any action taken or omitted in reliance upon any instrument, including any written statement or affidavit provided for in this Escrow Agreement that the Escrow Agent shall in good faith believe to be genuine, nor will the Escrow Agent be liable or responsible for forgeries, fraud, impersonations committed, or alleged to have been committed, by any Party or such Party's representatives or agents other than the Escrow Agent or its representatives or agents, or determining the scope of any representative authority of any other Party hereto. In addition, the Escrow Agent may consult with legal counsel in connection with the Escrow Agent's duties under this Escrow Agreement and shall be fully protected in any act taken, suffered, or permitted by him/her in good faith in accordance with the advice of counsel. The Escrow Agent is not responsible for determining and verifying the authority of any person acting or purporting to act on behalf of any other Party to this Escrow Agreement.

FEES AND EXPENSES

It is understood that the fees and usual charges agreed upon for services of the Escrow Agent shall be considered compensation for ordinary services as contemplated by this Escrow Agreement. In the event that the conditions of this Escrow Agreement are not promptly fulfilled, or if the Escrow Agent renders any service not provided for in this Escrow Agreement, or if the Parties request a substantial modification of its terms, or if any controversy arises, or if the Escrow Agent is made a party to, or intervenes in, any litigation pertaining to this Escrow Agreement or its subject matter or the Escrow Account, the Escrow Agent shall be reasonably compensated for such extraordinary services and reimbursed for all costs, reasonable attorney's fees, including allocated costs of in-house counsel, and expenses occasioned by such default, delay, controversy or litigation and the Escrow Agent shall have the right to retain all documents and/or other things of value at any time held by the Escrow Agent in the Escrow Account until such compensation, fees, costs, and expenses are paid. Buyer and Sellers' Representative on behalf of the Sellers jointly and severally promise to pay these sums upon demand. Unless otherwise provided, Buyer and Sellers' Representative on behalf of the Sellers each will pay one-half of all of the Escrow Agent's usual charges and the Escrow Agent may deduct such sums from the Escrow Amount if such sums are not paid within thirty (30) Business Days of the Escrow Agent's written demand therefor.

CONTROVERSIES

If any controversy arises between the Parties to this Escrow Agreement, or with any other Party, concerning the subject matter of this Escrow Agreement, its terms or conditions, the Escrow Agent will not be required to determine the controversy or to take any action regarding it. The Escrow Agent may hold all documents and funds and may wait for settlement of any such controversy by final, non-appealable judgment of a court of competent jurisdiction. Furthermore, the Escrow Agent may at its option, file an action of interpleader requiring the Parties to answer and litigate any claims and rights among themselves. The Escrow Agent is authorized to deposit with the clerk of a court of competent jurisdiction all documents and funds held in escrow, provided however that the Escrow Agent may withhold an aggregate amount equal to the costs, expenses, charges and reasonable attorney fees incurred by the Escrow

Agent due to the interpleader action, which Buyer and Sellers' Representative on behalf of the Sellers jointly and severally agree to pay. Upon initiating such action and depositing all such documents and funds in escrow with the clerk of a court of competent jurisdiction, the Escrow Agent shall be fully released and discharged of and from all obligations imposed by the terms of this Escrow Agreement except for obligations incurred as a result of the gross negligence or willful misconduct of the Escrow Agent.

INDEMNIFICATION OF ESCROW AGENT

Buyer and Sellers' Representative and their respective successors and assigns agree jointly and severally to indemnify and hold the Escrow Agent harmless against any and all losses, claims, damages, liabilities, and expenses, including reasonable costs of investigation, reasonable counsel fees, including allocated costs of in-house counsel, and reasonable disbursements that may be imposed on the Escrow Agent or incurred by the Escrow Agent in connection with the performance of his/her duties under this Escrow Agreement, including but not limited to any litigation arising from this Escrow Agreement or involving its subject matter. The Escrow Agent shall have a first lien on the property and papers held under this Escrow Agreement for such compensation and expenses.

INVESTMENT INSTRUCTIONS

For the purpose of investing funds held in escrow, the Escrow Agent may accept Joint Written Instructions (including instructions sent to the Escrow Agent by facsimile transmission, with original sent promptly to the Escrow Agent) from Buyer and Sellers' Representative. Buyer and Sellers' Representative shall indemnify and hold the Escrow Agent harmless from any and all liability for acting on such joint investment instructions purported to be given by Buyer and Sellers' Representative. Absent gross negligence or willful misconduct by the Escrow Agent, the Escrow Agent shall not be responsible for the authenticity of any instructions, or be in any way liable for any unauthorized instruction or for acting on such an instruction, whether or not the person giving the instructions was, in fact, an authorized Party hereto. In no event shall the Escrow Agent be liable to Buyer or Sellers' Representative for any consequential, special, or exemplary damages, including but not limited to lost profits, from any cause whatsoever arising out of, or in any way connected with acting upon Joint Written Instructions believed in good faith by the Escrow Agent to be genuine. In the absence of such Joint Written Instructions, the Escrow Agent shall invest the Escrow Amount, to the extent reasonably practicable, in a U.S. Bank Money Market Account, which is insured by the FDIC.

The Escrow Agent may make any investments through its own investment department or that of its affiliates. The Escrow Agent shall not be liable for any loss from such investments, including upon the sale or disposition of any investments.

The Escrow Agent will act upon joint investment instructions the day that such Joint Written Instructions are received, provided the requests are communicated within a sufficient amount of time to allow the Escrow Agent to make the specified investment. Joint Written Instructions received after an applicable investment cutoff deadline will be treated as being received by the Escrow Agent on the next Business Day, and the Escrow Agent shall not be liable for any loss arising directly or indirectly, in whole or in part, from the inability to invest funds on the day the Joint Written Instructions are received. The Escrow Agent shall not be liable for any loss incurred by the actions of third parties or by any loss arising by error, failure, or delay in making an investment which is caused by circumstances beyond the Escrow Agent's reasonable control.

Exhibit A

General Provisions for
Corporate Escrow Agreements

FUNDS INVESTED DURING ESCROW

The Parties acknowledge that payment of any interest earned on the funds invested in the Escrow Account will be subject to backup withholding penalties unless a properly completed Internal Revenue Service form W8 or W9 certification is submitted to the Escrow Agent.

RESIGNATION OF ESCROW AGENT

The Escrow Agent may resign at any time upon giving at least thirty (30) days' written notice to Buyer and Sellers' Representative; provided, however, that no such resignation shall become effective until the appointment of a successor escrow agent which shall be accomplished as follows: Buyer and Sellers' Representative shall use their best efforts to mutually agree on a successor escrow agent within thirty (30) days after receiving such notice. If Buyer and Sellers' Representative fail to agree upon a successor escrow agent within such time, the Escrow Agent shall have the right to appoint a successor escrow agent. The successor escrow agent shall execute and deliver an instrument accepting such appointment and it shall, without further acts, be vested with all the estates, properties, rights, powers, and duties of the predecessor escrow agent as if originally named as escrow agent. The Escrow Agent shall be discharged from any further duties and liability under this Escrow Agreement upon the execution and delivery to the Parties of such instrument by the successor escrow agent and the transfer of all documents and funds related to the Escrow Account to the successor escrow agent.

AUTOMATIC SUCCESSION

Any company into which the Escrow Agent is merged or with which it is consolidated, or any company to whom the Escrow Agent transfers a substantial amount of its Global Escrow business, shall be the successor to the Escrow Agent hereunder without the execution or filing of any paper or any further act on the part of any of the Parties, provided that the Escrow Agent shall provide written notice to Buyer and Sellers' Representative of such succession within a reasonable period of time of the consummation of such succession.

SIGNATURE PAGES

This Escrow Agreement may be executed in any number of counterparts, all of which together shall be deemed to be one and the same instrument. The exchange of copies of this Escrow Agreement and of signature pages hereto by facsimile or PDF transmission shall constitute effective execution and delivery of this Escrow Agreement as to the Parties and may be used in lieu of the original Escrow Agreement for all purposes. Signatures of the Parties transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Exhibit B

Escrow Agent Fee Schedule

Initial Fees

01010	**Acceptance Fee**	Waived

The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. **This is a one-time fee, payable at closing.**

U.S. Bank Corporate Trust Services reserves the right to refer any or all escrow documents for legal review before execution. Legal fees (billed on an hourly basis) and expenses for this service will be billed to, and paid by, the customer. If appropriate and upon request by the customer, U.S. Bank Corporate Trust Services will provide advance estimates of these legal fees.

"IMPORTANT INFORMATION
ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT"

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation."

Administration Fees

04460	**Escrow Agent**	Waived

Annual administration fee for performance of the routine duties of the escrow agent associated with the management of the account. Administration fees are payable in advance.

Incidental Expenses

SUCE0000	Charge for miscellaneous expenses such as; fax, messenger service, overnight mail, telephone, stationery and postage. This charge is a percent of total Administration Fees, charged in advance.	0%

Transaction Fees

10880	**Disbursements/Draws**	Waived

Charge per item disbursed. Includes the wire or check fee.

10100	**Trades**	Waived

Charge per trade to buy or sell investments, excluding automated sweep transactions.*

* Automatic sweeping of cash into money market funds is not considered a "trade" for the purposes of this fee. However, applicable fees are disclosed in the "Automatic Money Market Investments" authorization letter or the fund prospectus provided

Exhibit B

10101	**Receipts** Charge per receipt of funds via wire or check.	Waived

Direct Out of Pocket Expenses

Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	**At Cost**

Extraordinary Services

Extraordinary services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the service and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.	**At Cost**

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. **Fees paid in advance will not be prorated.** The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

Exhibit C

U.S. BANK NATIONAL ASSOCIATION

MONEY MARKET DEPOSIT ACCOUNT

DESCRIPTION AND TERMS

The U.S. Bank Money Market account is a U.S. Bank National Association ("U.S. Bank") interest-bearing money market deposit account designed to meet the needs of U.S. Bank's Corporate Trust Services Escrow Group and other Corporate Trust customers of U.S. Bank. Selection of this investment includes authorization to place funds on deposit and invest with U.S. Bank.

U.S. Bank uses the daily balance method to calculate interest on this account (actual/365 or 366). This method applies a daily periodic rate to the principal balance in the account each day. Interest is accrued daily and credited monthly to the account. Interest rates are determined at U.S. Bank's discretion, and may be tiered by customer deposit amount.

The owner of the account is U.S. Bank as Agent for its trust customers. U.S. Bank's trust department performs all account deposits and withdrawals. Deposit accounts are FDIC Insured per depositor, as determined under FDIC Regulations, up to applicable FDIC limits.

AUTOMATIC AUTHORIZATION

In the absence of specific written direction to the contrary, U.S. Bank is hereby directed to invest and reinvest proceeds and other available moneys in the U.S. Bank Money Market Account. The U.S. Bank Money Market Account is a permitted investment under the operative documents and this authorization is the permanent direction for investment of the moneys until notified in writing of alternate instructions.

Exhibit B

Working Capital

Current Assets are equal to the sum of the following line items on the Preliminary Closing Balance Sheet and the Final Closing Balance Sheet, as applicable:

1. Cash and cash equivalents;
2. Accounts receivable; and
3. Prepaid expenses and other current assets

Current Liabilities are equal to the sum of the following line items on the Preliminary Closing Balance Sheet and the Final Closing Balance Sheet, as applicable:

1. Payroll tax liabilities;
2. Accrued serviced employee benefits;
3. Client deposits payable; and
4. Accounts payable and accrued liabilities

SCHEDULE I

Seller	Equity Interests [1]	Applicable Percentage
Gregory Slamowitz	9,600,000.00	47.50%
John Iorillo	9,600,000.00	47.50%
Marc Dwek	1,010,526.33	5.00%
Total	**20,210,526.33**	**100.00%**

[1] Ambrose Common Units.

Exhibit 2.2

AGREEMENT AND PLAN OF MERGER

by and among

TRINET GROUP, INC.,

CHAMP ACQUISITION CORPORATION,

SOI HOLDINGS, INC.

and

SOI STOCKHOLDER REPRESENTATIVE, LLC,

solely in its capacity as the Stockholder Representative

Dated as of August 24, 2012

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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of August 24, 2012 (this " Agreement "), by and among TriNet Group, Inc., a Delaware corporation (" Parent "), Champ Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of Parent (" Merger Sub "), SOI Holdings, Inc., a Delaware corporation (the " Company "), and SOI Stockholder Representative, LLC, a Delaware limited liability company, solely in its capacity as agent for the Common Holders as set forth herein (the " Stockholder Representative ").

BACKGROUND

The Company owns all of the issued and outstanding shares of capital stock of Strategic Outsourcing, Inc., a Delaware corporation (" SOI "). SOI is a professional employer organization and is engaged in the business of providing human resources outsourcing services and employee benefits management services including, but not limited to, payroll processing, employee benefits administration, and workers' compensation cost management (the " Business ");

The board of directors of the Company (the " Company Board ") has unanimously determined that the merger, on the terms and subject to the conditions set forth in this Agreement, of Merger Sub with and into the Company (the " Merger "), is advisable and in the best interest of the Company's stockholders, and has unanimously approved this Agreement and directed that this Agreement be submitted to a vote of the Company's stockholders; and

The respective boards of directors of each of Parent and Merger Sub deem it advisable and in the best interests of their respective stockholders to consummate the Merger, on the terms and subject to the conditions set forth in this Agreement, and such boards of directors have approved this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements, undertakings and obligations set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

For the purposes of this Agreement, each capitalized term has the meaning given to it in Exhibit A .

ARTICLE II

THE MERGER

SECTION 2.1 The Merger . Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the Delaware General Corporation Law (the " DGCL "), at the Effective Time, (a) Merger Sub shall be merged with and into the Company, (b) the separate corporate existence of Merger Sub shall cease and the Company shall continue as the surviving corporation of the Merger (the " Surviving Corporation ") and (c) the Surviving Corporation shall become a wholly owned subsidiary of Parent.

SECTION 2.2 Closing . Unless this Agreement shall have been terminated in accordance with Section 8.1 , and subject to the satisfaction or waiver of the conditions set forth in Article VII , subject to Section 7.2 , the closing of the Merger (the " Closing ") will take place at 10:00 a.m., Eastern Time, at the offices of Duane Morris LLP (" Duane Morris "), 1540 Broadway, New York, New York 10036, on the date set forth in a notice from Parent to the Company (provided that (i) the Closing shall occur no earlier than three, and no later than seven, Business Days after the date of such notice and (ii) the Closing Date set forth therein shall be no later than October 31, 2012) or at such other time, date or place as Parent and the Stockholder Representative may agree (the date on which the Closing occurs, the " Closing Date "). The Closing may take place by facsimile, electronic transmission, overnight delivery or such other means determined acceptable by Parent and the Stockholder Representative.

SECTION 2.3 Effective Time . Upon the terms and subject to the conditions set forth in this Agreement, on the Closing Date, the parties hereto shall file a certificate of merger (the " Certificate of Merger ") in the form attached as Exhibit B , and executed and acknowledged in accordance with the relevant provisions of the DGCL. The Merger shall become effective at such date and time as the Certificate of Merger is duly filed with the Secretary of State of the State of Delaware or at such subsequent date and time as Parent and the Stockholder Representative shall agree and specify in the Certificate of Merger. The time at which the Merger becomes effective is referred to in this Agreement as the " Effective Time ."

SECTION 2.4 Effects of the Merger . The effects of the Merger shall be as provided in this Agreement and in the applicable provisions of the DGCL. Without limiting the generality of the foregoing, at the Effective Time, all the property, rights, privileges, powers and franchises of the Company and Merger Sub shall vest in the Surviving Corporation, and all debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Corporation, all as provided under the DGCL.

SECTION 2.5 Certificate of Incorporation; Bylaws .

(a) At the Effective Time, the certificate of incorporation of Merger Sub, as in effect immediately prior to the Effective Time, shall be the certificate of incorporation of the Surviving Corporation until thereafter amended in accordance with the provisions thereof and as provided by Law.

(b) At the Effective Time, the bylaws of the Merger Sub, as in effect immediately prior to the Effective Time, shall be the bylaws of the Surviving Corporation until thereafter amended as provided by Law, the certificate of incorporation of the Surviving Corporation and such bylaws.

SECTION 2.6 Directors and Officers . The directors of Merger Sub immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation, each to hold office in accordance with the certificate of incorporation and bylaws of the Surviving Corporation, and the officers of Merger Sub immediately prior to the Effective Time shall be the

initial officers of the Surviving Corporation, each to hold office in accordance with the certificate of incorporation and bylaws of the Surviving Corporation, in each case until their respective successors are duly elected or appointed and qualified or until the earlier of their death, resignation or removal.

ARTICLE III

CONSIDERATION AND MANNER OF PAYMENT

SECTION 3.1 Merger Consideration . The estimated aggregate amount to be paid by Parent with respect to 100% of the Company Securities (the " Estimated Merger Consideration "), shall be an amount equal to:

(a) $203,200,000;

(b) plus the Working Capital Overage, if any, and

(c) minus the sum of:

(i) the Escrow Amount;

(ii) the Stockholder Representative Fund;

(iii) the Credit Facility Payoff Amount;

(iv) the Estimated Assumed Indebtedness Amount;

(v) the amount of Company Expenses; and

(vi) the Working Capital Underage, if any.

The Estimated Merger Consideration shall be subject to the adjustments and payments following Closing pursuant to Section 3.4 .

SECTION 3.2 Estimated Merger Consideration . On or before the second Business Day prior to the Closing Date, the Company shall deliver to Parent (a) an estimated consolidated balance sheet of the Company and its Subsidiaries (the " Preliminary Closing Balance Sheet ") certified by the Chief Financial Officer of the Company as setting forth his good faith best estimate of the assets, liabilities and stockholders' equity of the Company and its Subsidiaries on a consolidated basis as of immediately prior to the Closing, and (b) a certificate of the Chief Financial Officer of the Company setting forth in reasonable detail his computation based on the Preliminary Closing Balance Sheet of the amount of (i) the Closing Working Capital (the " Working Capital Estimate "), and the resulting Working Capital Overage or Working Capital Underage, if any, (ii) the Assumed Indebtedness (the " Estimated Assumed Indebtedness Amount ") and (iii) the Estimated Merger Consideration. The Preliminary Closing Balance Sheet shall be prepared using the same accounting principles and practices as applied by the Company in preparing the Audited Balance Sheet; provided , however , that the Working Capital Estimate shall be prepared in accordance with the Balance Sheet Rules. If Parent disagrees with any of

the Company's calculation of the Working Capital Estimate, the resulting Working Capital Overage or Working Capital Underage, if any, the Estimated Assumed Indebtedness or the Estimated Merger Consideration, Parent shall notify the Company of such disagreement in writing setting forth in reasonable detail the particulars of such disagreement. Following such notice, the Company and Parent shall use their respective good faith efforts to resolve such disagreements prior to the Closing; provided that if the Company and Parent cannot resolve any of such disagreements, the determination of the Company on all such unresolved matters shall be used for the purposes of this Section 3.2 and Section 3.3 .

SECTION 3.3 Payments at Closing .

(a) Payment of the Escrow Amount . At the Closing, Parent shall pay, in cash, an amount equal to the Escrow Amount to the Escrow Agent by wire transfer of immediately available funds for deposit into an interest-bearing escrow account (the " Escrow Account ") established pursuant to the terms of the Escrow Agreement. The Escrow Account shall be used to satisfy any claims of the Parent Indemnified Persons for indemnification pursuant to Article IX made from and after Closing but on or before the applicable Cut-Off Date, if any, and to satisfy amounts payable to Parent, if any, pursuant to Section 3.4(c) . Amounts shall be released from the Escrow Account in accordance with and subject to the terms and conditions of the Escrow Agreement, and amounts released from the Escrow Account to the Stockholder Representative shall be distributed by the Stockholder Representative to the Common Holders as additional Share Consideration and Common Stock Equivalent Consideration, after taking into account the changes to the Per Share Price resulting from such distribution and any Share Consideration and Common Stock Equivalent Consideration previously received by such Common Holders.

(b) Payment of Stockholder Representative Fund . At the Closing, Parent shall pay to the Stockholder Representative by wire transfer of immediately available funds to a bank account designated in writing by the Stockholder Representative (such designation to be made at least two Business Days prior to the Closing Date), an amount equal to the Stockholder Representative Fund, such Stockholder Representative Fund to be held by the Stockholder Representative to be available to pay any costs and expenses or other payment obligations of the Common Holders and the Stockholder Representative with respect to matters arising under this Agreement, with any remaining portion of the Stockholder Representative Fund to be distributed at such time as determined by the Stockholder Representative to the Common Holders as additional Share Consideration and Common Stock Equivalent Consideration, after taking into account the changes to the Per Share Price resulting from such distribution and any Share Consideration and Common Stock Equivalent Consideration previously received by such Common Holders.

(c) Payment of Credit Facility Payoff Amount . At the Closing, Parent shall pay to the Bank by wire transfer of immediately available funds in accordance with wire transfer instructions designated in writing by the Bank (such designation to be made at least two Business Days prior to the Closing Date), an amount equal to the Credit Facility Payoff Amount.

(d) Payment of Company Expenses . At the Closing, Parent shall pay to the Persons to whom Company Expenses are payable by wire transfer of immediately available funds in accordance with wire transfer instructions designated in writing by such Persons (such designation to be made at least two Business Days prior to the Closing Date), amounts sufficient to pay the Company Expenses owed to such Persons.

(e) Payment of Estimated Merger Consideration .

(i) At the Closing, all Option Consideration shall be paid by Parent to the Company, which shall thereupon pay such Option Consideration, less all applicable deductions and withholdings, to the persons entitled to payment under Section 3.3(f)(ii) ; and

(ii) Prior to the Closing, the Company will deliver to the persons entitled to receive Share Consideration or Common Stock Equivalent Consideration (other than Option Consideration) (i) a letter of transmittal in customary form and reasonably acceptable to Parent and (ii) instructions for use of such letters of transmittal in effecting the surrender of certificates representing shares of capital stock of the Company or Common Stock Equivalents (other than Options) in exchange for Share Consideration or Common Stock Equivalent Consideration (other than Option Consideration), as applicable. Upon surrender of such a certificate or Common Stock Equivalent to the Company for exchange, together with a duly executed letter of transmittal and such other documents as may be reasonably required by the Company, a Common Holder shall be entitled to receive in exchange therefor, and, within two Business Days after such surrender, but in any event no earlier than the Closing, Parent shall pay, or cause the Company to pay, to such Common Holder, the Share Consideration into which the shares of stock represented by such certificate are converted pursuant to Section 3.3(f)(i) or the Common Stock Equivalent Consideration into which such Common Stock Equivalents are converted pursuant to Section 3.3(f)(ii) , in each case based on the Per Share Price then in effect. Until surrendered as contemplated by this Section 3.3(e)(ii) , from and after the Effective Time, each such stock certificate or Common Stock Equivalent shall be deemed to represent only the right to receive the Share Consideration or Common Stock Equivalent Consideration in respect thereof, as applicable.

(f) Effect of Merger on Company Securities . At the Effective Time, by virtue of the Merger, and without any action on the part of Parent, Merger Sub, the Company or the holders of any of the following securities:

(i) Each share of Common Stock (all issued and outstanding shares of Common Stock being hereinafter collectively referred to as the " Common Shares ") issued and outstanding immediately prior to the Effective Time (other than any Common Shares cancelled pursuant to Section 3.3(h) and Common Shares constituting Dissenting Shares) shall be cancelled and converted automatically into the right to receive an amount equal to the Per Share Price (as it may be adjusted from time to time) (the " Share Consideration "), and each Seller shall be entitled to receive at Closing a cash payment equal to the product, rounded to the nearest whole cent, of (A) the Per Share Price as of the Effective Time, multiplied by (B) the number of Common Shares owned by such Seller immediately prior to the Effective Time;

(ii) Prior to the Closing, the Company shall take all actions necessary so that all Common Stock Equivalents outstanding immediately prior to the Closing shall become fully vested and exercisable (whether or not currently exercisable) and, immediately

prior to the Effective Time, each Common Stock Equivalent not theretofore exercised shall be cancelled without any future liability to Parent, the Company or any other Person after the Closing, in exchange for the right to receive in accordance with Section 3.3(e)(i) or Section 3.3(e)(ii) , as applicable, a cash payment in the amount equal to the product, rounded to the nearest whole cent, of (A) the excess, if any, of the Per Share Price (as it may be adjusted from time to time) over the applicable Exercise Price of such Common Stock Equivalent, multiplied by (B) the number of shares of Common Stock underlying such Common Stock Equivalent (such amount payable with respect to each holder of Common Stock Equivalents, such holder's " Common Stock Equivalent Consideration ").

(g) The term "Per Share Price" means, recalculated as of each date of determination, the quotient of (i) the sum of (A) the Estimated Merger Consideration, as such amount may have been recalculated to become the Final Merger Consideration, plus (B) that portion of the Escrow Amount and the Stockholder Representative Fund theretofore distributed to the Common Holders, plus (C) that portion of the Escrow Amount and the Stockholder Representative Fund then being distributed to the Common Holders plus (D) the aggregate Exercise Price of all In-the-Money CSEs on such date of determination divided by (ii) the sum of (A) the aggregate number of Common Shares that were issued and outstanding immediately prior to the Effective Time plus (B) the aggregate number of Common Shares underlying all In-the-Money CSEs on such date of determination.

(h) Cancellation of Treasury Stock . Each share of Common Stock held in the treasury of the Company and each share of Common Stock owned by any direct or indirect Subsidiary of the Company immediately prior to the Effective Time shall, at the Effective Time, automatically be cancelled and cease to exist without any conversion thereof and no consideration shall be paid with respect thereto.

(i) Capital Stock of Merger Sub . Each share of common stock, par value $0.0001 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one validly issued, fully paid and nonassessable share of common stock, par value $0.0001 per share, of the Surviving Corporation. Following the Effective Time, each certificate evidencing ownership of shares of Merger Sub common stock shall evidence ownership of such shares of Surviving Corporation.

(j) Dissenting Shares . Any Dissenting Shares will not be converted into the right to receive the Share Consideration but instead will be entitled to such rights (but only such rights) as may be determined to be due with respect to such Dissenting Shares pursuant to Section 262 of the DGCL. The Company will give Parent prompt notice (and in any case, within one Business Day) of any demand received by the Company for appraisal of Common Shares. The Company will not voluntarily make any payment with respect to, or settle or offer to settle, any such demand for appraisal except with Parent's prior written consent. If any holder of Dissenting Shares loses its status as a holder of Dissenting Shares for any reason, then such Dissenting Shares shall be deemed to have been converted at the Effective Time into, and shall have become, the right to receive the Share Consideration.

(k) Withholding Rights . Each of Parent, the Company and Stockholder Representative shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any Common Holder such amounts as Parent, the Company or Stockholder Representative, as the case may be, is required to deduct or withhold therefrom under the Code or any Tax Law with respect to the making of such payment. To the extent that such amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Common Holder in respect of whom such deduction and withholding was made. In lieu of making the payments contemplated by Section 3.3 (a)-(b) or Section 3.4(c) hereof to the holders of the In-the-Money CSEs, Stockholder Representative may pay such amounts to the Company which shall thereupon pay such amounts to such holders, subject to the foregoing provisions of this Section 3.3(k).

SECTION 3.4 Post-Closing Merger Consideration Adjustment .

(a) As soon as reasonably practicable following the Closing Date, and in any event within 90 days thereof, Parent shall cause the Company to prepare and deliver to the Stockholder Representative (i) a consolidated balance sheet of the Company and its Subsidiaries as of immediately prior to the Closing (the " Final Closing Balance Sheet ") and audited by Ernst & Young LLP (" Parent's Auditor "), together with the report of Parent's Auditor, to the effect that Parent's Auditor has conducted, in accordance with generally accepted auditing standards, an audit of the Final Closing Balance Sheet and that such firm believes that such audit provides a reasonable basis for such firm's opinion thereon and that the Final Closing Balance Sheet presents fairly, in all material respects, the financial condition of the Company and its Subsidiaries on a consolidated basis as of the Closing Date and prepared in conformity with GAAP (except as noted in the final sentence of this Section 3.4(a)), and (ii) the calculation of the Closing Working Capital and the Assumed Indebtedness pursuant to the Final Closing Balance Sheet. The Final Closing Balance Sheet shall be prepared using the same accounting principles and practices and in the same format and using the same line item classifications, used by the Company in preparing the Preliminary Closing Balance Sheet; provided , however , that the Closing Working Capital shall be prepared in accordance with the Balance Sheet Rules.

(b) If the Stockholder Representative shall disagree with Parent's calculation of any of the Closing Working Capital or the Assumed Indebtedness, it shall notify Parent of such disagreement in writing, setting forth in reasonable detail the particulars of such disagreement, within 30 days after its receipt of the Final Closing Balance Sheet. Following the Closing, Parent shall provide the Stockholder Representative and its Specified Representatives access to the records and employees of Parent and the Company to the extent necessary for the review of the Final Closing Balance Sheet and shall cause the employees of Parent and the Company and its Subsidiaries to cooperate with the Stockholder Representative in connection with its review of the Final Closing Balance Sheet, the Closing Working Capital and the Assumed Indebtedness; provided that such access shall be reasonably necessary and does not unreasonably disrupt the personnel and operations of Parent or the Company or any of its Subsidiaries, as the case may be. In the event that the Stockholder Representative does not provide such a notice of disagreement to Parent within such 30-day period, the Stockholder Representative shall be deemed to have accepted the Final Closing Balance Sheet and Parent's calculation of the Closing Working Capital and the Assumed Indebtedness, which shall be final, binding and conclusive for all purposes hereunder. In the event any such notice of disagreement is timely provided, Parent and the Stockholder Representative shall use commercially reasonable efforts for a period of 30 days (or such longer period as they may mutually agree) (the

" Resolution Period "), to resolve any disagreements with respect to the Final Closing Balance Sheet or Parent's calculation of the Closing Working Capital and the Assumed Indebtedness. If, at the end of the Resolution Period, they are unable to resolve such disagreements, then the Final Closing Balance Sheet along with the Stockholder Representative's notice of disagreement (both modified to reflect only unresolved disagreements) and a written response from Parent to the Stockholder Representative's notice of disagreement (setting forth in reasonable detail the particulars of Parent's disagreement) shall be submitted within 10 days after the last day of the Resolution Period to such nationally recognized independent accounting firm as may be mutually selected by Parent and the Stockholder Representative (the " Adjustments Auditor ") to resolve any remaining disagreements. If Parent and the Stockholder Representative are unable to agree on the Adjustments Auditor within such 10-day period, then within five days after the end of such 10-day period, Parent and the Stockholder Representative shall jointly request the American Arbitration Association to appoint the Adjustments Auditor, which shall not have had a material relationship with Parent, the Company or the Stockholder Representative or any of their respective Affiliates subsequent to December 31, 2009. Each of Parent and the Stockholder Representative agrees to execute, if requested by the Adjustments Auditor, a customary engagement letter. The Adjustments Auditor shall determine as promptly as practicable, but in any event within 30 days of the date on which such dispute is referred to the Adjustments Auditor, whether (and only with respect to the remaining disagreements submitted to the Adjustments Auditor) and to what extent (if any) the amount of the Closing Working Capital or the Assumed Indebtedness as determined pursuant to the Final Closing Balance Sheet (as modified by any agreement between Parent and the Stockholder Representative) requires correction; provided that the scope of the dispute to be resolved by the Adjustments Auditor shall be limited to whether the Final Closing Balance Sheet and the Assumed Indebtedness were prepared in conformity with GAAP (except as noted in the final sentence of Section 3.4(a)) using the same accounting principles and practices and in the same format and using the same line item classifications used by the Company in preparing the Preliminary Closing Balance Sheet, whether the Closing Working Capital was prepared in accordance with the Balance Sheet Rules, and whether there were mathematical errors in the computation of the Closing Working Capital, or the Assumed Indebtedness, and the Adjustments Auditor shall not make any other determination. In reaching its determination, the only alternatives available to the Adjustments Auditor will be to (i) accept the position of Parent, (ii) accept the position of the Stockholder Representative or (iii) determine a position between those two positions. The Adjustments Auditor will determine the allocation of its costs and expenses based on the inverse of the percentage which its award (before such allocation) bears to the total amount of the total items in arbitration as originally submitted to it. Accordingly, by way of example, should the items in arbitration total in amount to $1,000 and the Adjustments Auditor awards $600 in favor of the Stockholder Representative's position, 60% of the costs and expenses would be assessed against Parent and 40% of the costs and expenses would be assessed against the Common Holders and the Stockholder Representative shall instruct the Escrow Agent to pay such amount due from the Common Holders from the Escrow Amount. The determination of the Adjustments Auditor shall be final, binding and conclusive. The date on which the amount of the Closing Working Capital and the Assumed Indebtedness is finally determined in accordance with this Section 3.4(b) (whether due to agreement by Parent and the Stockholder Representative or a determination by the Adjustments Auditor in accordance with this Section 3.4(b)), is hereinafter referred as to the " Determination Date ."

(c) For the purposes of this Agreement, " Final Working Capital " means the Closing Working Capital and " Final Assumed Indebtedness " means the Assumed Indebtedness, in each case as finally agreed or determined in accordance with Section 3.4(b) . Upon the determination of the Final Working Capital and the Final Assumed Indebtedness pursuant to Section 3.4(b), the Estimated Merger Consideration shall be recalculated utilizing the Final Working Capital in lieu of the Working Capital Estimate and the Final Assumed Indebtedness in lieu of the Estimated Assumed Indebtedness Amount (the Estimated Merger Consideration as so recalculated, the " Final Merger Consideration "). If (and only if) the Final Merger Consideration exceeds the Estimated Merger Consideration, Parent shall promptly (but in any event within five Business Days following the Determination Date) deliver to the Stockholder Representative (for distribution to the Common Holders as additional Share Consideration and Common Stock Equivalent Consideration, after taking into account the changes to the Per Share Price resulting from such distribution and any Share Consideration and Common Stock Equivalent Consideration previously received by such Common Holders), the amount by which the Final Merger Consideration exceeds the Estimated Merger Consideration by wire transfer of immediately available funds to an account or accounts designated by the Stockholder Representative in writing. If (and only if) the Estimated Merger Consideration exceeds the Final Merger Consideration, then the Stockholder Representative and Parent shall instruct the Escrow Agent to promptly (but in any event within five Business Days following the Determination Date) deliver from the Escrow Account to Parent the amount by which the Estimated Merger Consideration exceeds the Final Merger Consideration by wire transfer of immediately available funds to one or more accounts designated by Parent in writing. All payments made pursuant to this Section 3.4(c) shall be treated by all parties for tax purposes as adjustments to the purchase price. Upon payment of the amounts provided in this Section 3.4(c) , none of the parties hereto may make or assert any claim under this Section 3.4 .

(d) Following the Closing, Parent shall not take, or permit the Company or any Company Subsidiary to take, any action with respect to the accounting books and records of the Company or any Company Subsidiary, or the items reflected thereon, on which the Final Closing Balance Sheet is to be based, that is inconsistent with the Company's or any Company Subsidiary's past practices. No actions taken by Parent on its own behalf or on behalf of the Company or the Company Subsidiaries, at or following the Closing shall be given effect for purposes of determining the Closing Working Capital or the Assumed Indebtedness.

SECTION 3.5 The Stockholder Representative .

(a) Appointment of the Stockholder Representative . Prior to the date of this Agreement, the Common Holders owning more than 70% of the Common Shares have irrevocably appointed the Stockholder Representative as the sole agent of the Common Holders to act on behalf of the Common Holders regarding any matter relating to or arising under this Agreement or the Escrow Agreement and the Contemplated Transactions, including for the purposes of: (i) receiving any payments due from Parent or the Escrow Agent that are required under the terms of this Agreement or the Escrow Agreement to be paid to the Common Holders and, where applicable, distributing such payments to the Common Holders in accordance with the terms hereof or thereof; (ii) taking any action on behalf of the Common Holders or any individual Common Holder that may be necessary or desirable, as determined by the Stockholder Representative in its sole discretion, in connection with the indemnification provisions set forth

in Article IX or the provisions of the Escrow Agreement in accordance with the terms hereof and thereof; (iii) taking any action on behalf of the Common Holders or any individual Common Holder that may be necessary or desirable, as determined by the Stockholder Representative in its sole discretion, in connection with negotiating or entering into settlements, resolutions and compromises with respect to the adjustments or payments contemplated by Section 3.4 or the claims of any Parent Indemnified Persons pursuant to Article IX ; (iv) accepting notices on behalf of the Common Holders or any individual Common Holder in accordance with Section 11.4 ; (v) executing and delivering, on behalf of the Common Holders or any individual Common Holder, any notices, documents or certificates to be executed by the Common Holders or any individual Common Holder in connection with this Agreement or the Escrow Agreement or the Contemplated Transactions; and (vi) granting any consent or approval on behalf of the Common Holders or any individual Common Holder under this Agreement or the Escrow Agreement. As the representative of the Common Holders or any individual Common Holder under this Agreement and the Escrow Agreement, the Stockholder Representative shall act as the agent for each Common Holder and shall have authority to bind each Common Holder in accordance with this Agreement and the Escrow Agreement.

(b) Parent Reliance . Parent may rely exclusively, without independent verification or investigation, upon all decisions, communications or writings made, given or executed by the Stockholder Representative in connection with this Agreement and the Escrow Agreement and the Contemplated Transactions. Parent is entitled to deal exclusively with the Stockholder Representative on all matters relating to this Agreement and the Escrow Agreement and the Contemplated Transactions. Any action taken or not taken or decisions, communications or writings made, given or executed by the Stockholder Representative, for or on behalf of any Common Holder, shall be deemed an action taken or not taken or decisions, communications or writings made, given or executed by such Common Holder. Any notice or communication delivered by Parent to the Stockholder Representative shall be deemed to have been delivered to all of the Common Holders. Parent shall be entitled to disregard any decisions, communications or writings made, given or executed by any Common Holder in connection with this Agreement or the Escrow Agreement and the Contemplated Transactions unless the same is made, given or executed by the Stockholder Representative.

(c) Limitation on the Stockholder Representative's Liability . Without limitation to its obligations under this Agreement and the Escrow Agreement wherein the Stockholder Representative acts in a capacity as the Stockholder Representative, the Stockholder Representative shall have no liability to Parent for any obligation of the Company or any Common Holder under this Agreement or the Escrow Agreement. Except for fraud, criminal activity, gross negligence or willful misconduct on its part, the Stockholder Representative shall have no liability to any Common Holder under this Agreement or the Escrow Agreement for any act or omission by the Stockholder Representative on behalf of the Common Holders.

(d) Retention of Counsel and Advisors; Expenses . The Stockholder Representative shall be entitled to retain counsel and other advisors and consultants and to incur such fees, costs and expenses (including reasonable attorneys' fees, costs and expenses) as the Stockholder Representative deems to be necessary or appropriate in connection with the performance of its obligations under this Agreement or the Escrow Agreement (the " Representative Expenses ") and the Stockholder Representative shall be reimbursed for all such

Representative Expenses by the Common Holders, pro rata in accordance with their respective Transaction Percentages. In furtherance of the foregoing, at the Closing, Parent shall deposit with the Stockholder Representative an amount equal to the Stockholder Representative Fund to be used by the Stockholder Representative for the payment or reimbursement of Representative Expenses. Upon the termination of the Stockholder Representative's duties under this Agreement and the Escrow Agreement (as determined by the Stockholder Representative in its sole discretion), any remaining portion of the Stockholder Representative Fund shall be promptly distributed to the Common Holders as additional Share Consideration and Common Stock Equivalent Consideration, after taking into account the changes to the Per Share Price resulting from such distribution and any Share Consideration and Common Stock Equivalent Consideration previously received by such Common Holders.

(e) Survival . All of the immunities and powers granted to the Stockholder Representative under this Agreement and the Escrow Agreement shall survive the Closing or any termination of this Agreement or the Escrow Agreement.

(f) Limitation on Parent's Liability . Notwithstanding anything to the contrary set forth herein, Parent shall not be liable for any Damages to any Person, including any Common Holder, for any action taken or not taken by the Stockholder Representative or for any act or omission taken or not taken in reliance upon the actions taken or not taken or decisions, communications or writings made, given or executed by the Stockholder Representative, including any failure of the Stockholder Representative to distribute, or to distribute or sub divide in the correct amounts, any payments made to the Stockholder Representative by Parent for distribution to any Common Holder, among the Common Holders or any other Person; it being understood that that once Parent has made a payment in accordance with the terms of this Agreement or the Escrow Agreement to the Stockholder Representative for distribution to any Common Holder, among the Common Holders or to such other Person, such payment shall constitute a complete discharge of the relevant payment obligation of Parent.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Prior to the execution and delivery of this Agreement, the Company has delivered to Parent a schedule to this Agreement (the " Company Disclosure Schedule ") setting forth, among other things, items the disclosure of which is necessary or appropriate either in response to an express disclosure requirement contained in a provision hereof or an exception to one of the representations and warranties contained in Article IV ; provided that the mere inclusion of an item in the Company Disclosure Schedule as an exception to a representation or warranty shall not be deemed an admission by the Company that such item represents a material exception, fact, event or circumstance, or that such information constitutes or would reasonably be expected to constitute a Material Adverse Effect; provided , further , that any disclosures made with respect to a section or subsection of this Agreement shall be deemed to qualify such sections or subsections specifically referenced or cross-referenced and any other section or subsection to the extent that it is reasonably apparent that such disclosure also pertains to such other section or subsection. Except as set forth in the Company Disclosure Schedule, the Company hereby represents and warrants to Parent that:

SECTION 4.1 Organization; Good Standing; and Authorization .

(a) The Company is duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company and each Company Subsidiary is duly qualified or licensed to do business as a foreign corporation and in good standing as a foreign corporation in each jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such licensing, qualification or good standing, except for such jurisdictions in which the failure to be so qualified or licensed would not, individually or in the aggregate, have a Material Adverse Effect.

(b) The Company has the full power and authority and has taken all action necessary in order to execute, deliver and perform, its obligations under this Agreement and to consummate the Contemplated Transactions. The execution and delivery by the Company of this Agreement and the consummation by the Company of the Contemplated Transactions have been duly authorized and approved and no other corporate proceeding with respect to the Company is necessary to authorize this Agreement, or the Contemplated Transactions. This Agreement has been duly executed and delivered by the Company, and, assuming that this Agreement constitutes the legal, valid and binding obligation of Parent, constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except to the extent that the enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium or other similar Laws affecting the enforcement of creditors' rights generally and subject to general principles of equity and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any Action may be brought.

(c) The Company has delivered or made available to Parent accurate and complete copies of: (i) the Charter and Bylaws; (ii) the certificate of incorporation and bylaws or comparable organizational documents of each Company Subsidiary; (iii) the stock or other equity records of the Company and each Company Subsidiary; and (iv) the minutes and other records of the meetings at which formal actions were taken or any actions taken by written consent without a meeting of the stockholders, the board of directors and any committee of the board of directors of the Company and the equity holders, the board of directors (or comparable governing body) and any committee of the board of directors (or comparable governing body) of each Company Subsidiary. Since August 3, 2005, the activities of the Company and each Company Subsidiary has been in material compliance with the certificate of incorporation and the bylaws of the Company and the comparable organizational documents of each such Company Subsidiary, respectively.

SECTION 4.2 Capitalization .

(a) As of the date of this Agreement, (i) the authorized capital stock of the Company consists solely of 600,000 shares of Common Stock, of which on the date of this Agreement 327,218.66 shares are issued and outstanding, and (ii) 400,000 shares of Preferred Stock, 330,000 of which are designated as Series A Preferred Stock, and none of which is issued and outstanding. No shares of Preferred Stock will be issued by the Company on or after the date of this Agreement. All of the issued and outstanding shares of capital stock of the Company have been duly authorized and are validly issued, fully paid and nonassessable, and have been

issued in material compliance with all federal and state securities laws. Section 4.2(a) of the Company Disclosure Schedule sets forth a true and complete list of the owners of all of the issued and outstanding shares of capital stock of the Company and the number of Common Shares owned by each Common Holder.

(b) Except as set forth in Section 4.2(b) of the Company Disclosure Schedule , (i) there are no shares of capital stock or other securities of the Company reserved for issuance, held as treasury shares, or subject to preemptive rights or any outstanding subscriptions or other agreements or other instruments outstanding or in effect giving any Person the right to acquire any shares of capital stock or other securities of the Company and (ii) the Company does not have outstanding any options or other securities exercisable for or convertible into any shares of its Common Stock or Preferred Stock or other capital stock or bonds, debentures, notes or other obligations the holders of which have (either presently or upon the occurrence of a contingency) the right to vote (or convertible into or exercisable for securities having the right to vote) with the stockholders of the Company on any matter. Section 4.2(b) of the Company Disclosure Schedule sets forth a true and complete list of the owners of all of the issued and outstanding Common Stock Equivalents and the number of shares of Common Stock, that each such owner is entitled to receive upon the exercise of the Common Stock Equivalents.

SECTION 4.3 Company Subsidiaries . Section 4.3 of the Company Disclosure Schedule sets forth a complete and accurate list of the name and jurisdiction of formation of each of the Company's Subsidiaries (each a " Company Subsidiary ," and collectively, the " Company Subsidiaries ") and the authorized, issued and outstanding equity interests of each Company Subsidiary. Each Company Subsidiary is duly organized, validly existing and in good standing under the laws of its state of organization. Each of the outstanding equity interests of each Company Subsidiary is duly authorized, validly issued, fully paid and non-assessable and is directly owned of record by the Company or a Company Subsidiary (which record ownership is set forth in Section 4.3 of the Company Disclosure Schedule), free and clear of any Liens other than (i) Permitted Liens, (ii) Liens on transfer imposed under applicable securities law and (iii) Liens created by Parent's or its Affiliates' acts. There are no other equity interests of any Company Subsidiary authorized, issued, reserved for issuance or outstanding and no outstanding or authorized options, warrants, convertible or exchangeable securities, subscriptions, rights (including any preemptive rights), stock appreciation rights, calls or commitments of any character whatsoever to which any Company Subsidiary is a party or may be bound requiring the issuance, delivery or sale of equity interests of any Company Subsidiary.

SECTION 4.4 Governmental Filings and Consents . Except for the Notification and Report Form (the "Report") required to be filed under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the " HSR Act "), with the Federal Trade Commission (the " FTC ") and the Antitrust Division of the Department of Justice (the " Antitrust Division ") (such filings, the " HSR Filing "), or as set forth in Section 4.4 of the Company Disclosure Schedule , no notices, reports, submissions or other filings (collectively, " Filings ") are required to be made by the Company with, nor are any consents, registrations, approvals, declarations, permits, expiration of any applicable waiting periods or authorizations (collectively, " Consents "), required to be obtained by the Company from, any foreign, federal, state, local, municipal, county or other governmental, quasi-governmental, administrative or regulatory authority, body, agency, court, tribunal, commission or other similar entity (including any

branch, department or official thereof) (each a " Governmental Entity "), in connection with the execution or delivery by the Company of this Agreement, the performance by the Company of its obligations hereunder or the consummation by the Company of the Contemplated Transactions; provided , however , that no representation or warranty is made with respect to any Filings or Consents with or from any Governmental Entity that, if not obtained or made, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, or materially impair the Company's ability to consummate the Contemplated Transactions.

SECTION 4.5 No Violations . Assuming the making of the HSR Filing and the other Filings set forth in Section 4.4 of the Company Disclosure Schedule and the obtaining of the Consents set forth in Section 4.4 of the Company Disclosure Schedule and Section 4.5 of the Company Disclosure Schedule , the execution and delivery by the Company of this Agreement does not, and the performance and consummation by the Company of the Contemplated Transactions will not, constitute, result in or give rise to:

(a) a breach or violation of, or a default under any provision of the Charter or Bylaws;

(b) a material breach or material violation of, or a material default under, or the cancellation, modification or termination of, or the acceleration of, or the creation of a Lien (other than a Permitted Lien) on any properties or assets owned or used by the Company or any of its Subsidiaries pursuant to any provision of any agreement, license, lease, understanding, contract, loan, note, mortgage, indenture, promise, undertaking or other commitment or obligation (a " Contract ") that is a Material Contract; or

(c) a material breach or material violation of any Law or a material breach or violation of any award, decision, injunction, judgment, decree, settlement, order, process, ruling, subpoena or verdict (whether temporary, preliminary or permanent) entered, issued, made or rendered by any court, administrative agency, arbitrator, Governmental Entity or other tribunal of competent jurisdiction (each, an " Order ") against the Company or any of its Subsidiaries.

SECTION 4.6 Financial Statements; Books and Records .

(a) The Company has delivered to Parent true and complete copies of the following financial statements (collectively, the " Financial Statements "): (i) the audited consolidated balance sheet of the Company as of December 31, 2011 (the " Audited Balance Sheet "); (ii) the related audited consolidated statements of operations, stockholders' equity and cash flows for the year ended December 31, 2011 (including the notes thereto) (the " Audited Financial Statements "), together with the Report of Independent Accountants thereon; and (iii) the unaudited consolidated balance sheet of the Company as of June 30, 2012 (the " Interim Balance Sheet ") and the related unaudited consolidated statements of operations and cash flows for the six months ended June 30, 2012.

(b) The Financial Statements fairly present, in all material respects, the consolidated financial condition and the consolidated results of operations, changes in stockholders' equity and cash flow of the Company and its Subsidiaries as at the respective dates of and for the periods referred to in such Financial Statements, and were prepared in accordance

with GAAP applied on a consistent basis during the periods presented, subject, in the case of unaudited financial statements, to normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be material in amount or effect) and the absence of a statement of stockholders' equity and notes. The Financial Statements were compiled from and are in accordance with the books and records of the Company and its Subsidiaries.

(c) Except as set forth in Section 4.6(c) of the Company Disclosure Schedule , neither the Company nor any Subsidiary of the Company has any Liabilities of the nature required by GAAP to be disclosed or reflected in the Financial Statements other than those (i) that are reflected in, reserved against or otherwise described in the Financial Statements or that arose after the date of the Interim Balance Sheet in the Ordinary Course of Business or (ii) that individually, or in the aggregate, are not material to the Company and its Subsidiaries, taken as a whole.

SECTION 4.7 Absence of Certain Changes and Events . Since the date of the Interim Balance Sheet, (a) the Company and its Subsidiaries have conducted the Business, in all material requests, only in the Ordinary Course of Business and (b) there has not occurred any Material Adverse Effect and (c) neither the Company nor any of its Subsidiaries has taken any action prior to the date of this Agreement that, had such action been taken on or after the date of this Agreement, would have required the consent of Parent pursuant to Section 6.1(b) .

SECTION 4.8 Actions; Orders, etc .

(a) Except as set forth on Section 4.8 of the Company Disclosure Schedule , other than with respect to any workers' compensation claims or unemployment claims with respect to the Assigned Employees, (i) there are no civil, criminal, administrative, investigative or informal actions, audits, demands, suits, claims, arbitrations, hearings, litigations, disputes, investigations or other proceedings of any kind or nature at Law, in equity or otherwise, in, before, by, or otherwise involving, any Governmental Entity or other Person (" Actions ") pending or, to the Knowledge of the Company, threatened, against the Company or any of its Subsidiaries and (ii) to the Knowledge of the Company, there are no Actions pending or threatened against any officer or director of the Company arising out of and pertaining to the Business, in the case of each of subclauses (i) and (ii) above, that could reasonably be expected to have a material and adverse effect on the Business or that could reasonably be expected to have the effect of preventing, delaying, making illegal or otherwise interfering in any material respect with the Contemplated Transactions.

(b) Except as set forth on Section 4.8 of the Company Disclosure Schedule , neither the Company nor any of its Subsidiaries is subject to, nor are they or any of their assets or properties bound by, (i) any Order specific to the Company or any of its Subsidiaries or (ii) to the Company's Knowledge, any other Order, in either case that has or would reasonably be expected to have a Material Adverse Effect and, to the Company's Knowledge, there are no such Orders threatened to be imposed by any Governmental Entity.

SECTION 4.9 Taxes . Except as otherwise disclosed on Section 4.9 of the Company Disclosure Schedule :

(a) All income, franchise and other material Tax Returns required to be filed by or with respect to the Company or any Company Subsidiary have been filed on or before the applicable due date (including any extensions of such due date) and were accurately and completely prepared in all material respects in compliance with all applicable Laws, provided, however, that no representations are made as to the amount or availability of any federal net operating losses or credits arising in any Pre-Closing Tax Period that would or could be carried forward into any Post-Closing Tax Period other than as set forth in Section 4.9(b) or Section 4.9(r) . The Company and its Subsidiaries have provided or made available to Parent with true and complete copies of all Federal and state income and franchise Tax Returns, including any audit reports, statements of deficiencies and closing or other agreements with respect to such Tax Returns, for all periods ending on and after December 31, 2007.

(b) The Pre-Closing Net Operating Loss Carryovers will be no less than $15,000,000.

(c) The Company and its Subsidiaries have paid all Taxes shown to be due on the Tax Returns referred to in Section 4.9(a) , and all other Taxes required to be paid, and have made adequate provision in the Financial Statements for any Taxes that are not yet due and payable, for all taxable periods, or portions thereof, ending on or before the date hereof.

(d) All deficiencies for Taxes asserted or assessed in writing against the Company or its Subsidiaries have been paid, settled or properly reflected in the Financial Statements.

(e) No audit is pending or, to the knowledge of the Company, threatened in writing with respect to any Taxes due from or with respect to the Company or any Company Subsidiary.

(f) There are no outstanding agreements extending or waiving the statutory period of limitations applicable to any claim for, or the period for the collection or assessment of, Taxes due from the Company or any Company Subsidiary for any taxable period and no request for any such waiver or extension is currently pending.

(g) There are no Liens for Taxes upon the assets or properties of the Company or any Company Subsidiary, other than Liens for current Taxes not yet due and payable or that are being contested in good faith (and, if such Liens are in existence on the date of this Agreement, are described in Section 4.9 of the Company Disclosure Schedule) and for which adequate provision has been made in the Financial Statements.

(h) The Company and its Subsidiaries have each withheld from their respective employees, independent contractors, creditors, stockholders and third parties (including, to the extent the Company and/or its Subsidiaries are responsible for such withholding, Assigned Employees) and timely paid to the appropriate Governmental Entity proper and accurate amounts in all material respects for all periods ending on or before the Closing Date in compliance in all material respects with all Tax withholding and remitting provisions of applicable laws and have each complied in all material respects with all Tax information reporting provisions of all applicable laws.

(i) None of the Company Subsidiaries was a member of an affiliated group of corporations that filed a consolidated federal income Tax Return for which the statute of limitations does not bar a federal income tax assessment, except for affiliated groups of which the Company is a member.

(j) During the past six years, no written claim has ever been made by any Governmental Entity in a jurisdiction where the Company or any of the Company Subsidiaries does not file Tax Returns that the Company or any of the Company Subsidiaries is or may be subject to taxation by that jurisdiction.

(k) During the past six years, neither the Company nor any of the Company Subsidiaries has been required to include any adjustment in taxable income for any Tax period (or portion thereof) pursuant to Section 481 or 263A of the Code or any comparable provision under state, local or foreign Tax laws as a result of transactions, events or accounting methods employed prior to the Merger.

(l) Neither the Company nor any of the Company Subsidiaries is a party to or bound by any Tax sharing, Tax indemnity, or Tax allocation agreement (except any agreement solely among the Company and the Company Subsidiaries) nor does the Company or any of the Company Subsidiaries have any liability or potential liability to another party under such an agreement.

(m) The Company and each of the Company Subsidiaries has recorded no items under ASC 740-10 and has not been required to file and has not filed any Schedule UTP (or state equivalent) in any Tax Return.

(n) Neither the Company nor any of the Company Subsidiaries has consummated or participated in, or is currently participating in, any transaction which was or is a “Tax Shelter” transaction defined in Sections 6662 or 6111 of the Code or the Treasury Regulations promulgated thereunder. Neither the Company nor any of the Subsidiaries has participated in a “Listed Transaction” or a “Reportable Transaction” within the meaning of Section 6707A(c) of the Code or Treasury Regulation 1.6011-4(b), or any transaction requiring disclosure under a corresponding or similar provisions of state, local or foreign law.

(o) Neither the Company nor any of the Company Subsidiaries has any liability for Taxes of any Person (other than the Company or a Company Subsidiary) under Section 1.1502-6 of the Treasury Regulations (or any similar provisions of state, local or foreign law) as a transferee or successor, by contract or otherwise.

(p) Neither the Company nor any of the Company Subsidiaries will be required to include any material item of income or exclude any material item of deduction from taxable income for any Taxable period (or portion thereof) ending after the Closing Date as a result of any (i) change in the method of accounting for a Taxable period ending on or prior to the Closing Date, (ii) “closing agreement” described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign Tax law), (iii) intercompany transactions or any excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local, or foreign tax law), (iv)

installment sale or open transaction disposition made on or prior to the Closing Date, (v) recapture of dual consolidated losses under Section 1503(d) of the Code, or (vi) prepaid amount received on or prior to the Closing Date.

(q) Neither the Company nor any of the Company Subsidiaries has made a domestic use election for any dual consolidated loss under Section 1503(d) of the Code (or any corresponding or similar provision of foreign Tax law).

(r) Except as a result of the Contemplated Transactions, none of the Tax attributes (including net operating loss carry forwards and general business Tax credits) of the Company or any of the Company Subsidiaries is limited by Sections 269, 382, 383, 384 or 1502 of the Code (or any corresponding or similar provision of state, local and foreign Tax law).

(s) Neither the Company nor any of the Company Subsidiaries is or has during the past five years been a "United States real property holding corporation" within the meaning of Section 897 of the Code.

(t) Neither the Company nor any of the Company Subsidiaries has constituted either a "distribution corporation" or a "controlled corporation" in a distribution of stock qualifying for Tax-free treatment under Section 355 of the Code (i) in the two years prior to the date of this Agreement or (ii) in a distribution that could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the Merger.

(u) To the Company's Knowledge, neither the Company nor any Company Subsidiary is or ever has been an "S" corporation within the meaning of Section 1361 of the Code.

SECTION 4.10 Employee Benefits; ERISA .

(a) Section 4.10(a) of the Company Disclosure Schedule sets forth a true and complete list of each "employee benefit plan" (within the meaning of Section 3(3) of ERISA), and each other material compensation and benefit plan, agreement, arrangement or policy, including any of such providing for compensation, bonuses, profit-sharing, stock option or other stock related rights or other forms of incentive or deferred compensation, vacation benefits, insurance (including any self-insured arrangements), health or medical benefits, employee assistance, employee loans, disability or sick leave benefits, workers' compensation, supplemental unemployment benefits, change in control benefits, severance benefits and post-employment or retirement benefits (including compensation, pension, health, medical or life insurance benefits), or other employee benefits, in each case, which is maintained, administered, sponsored or contributed to by the Company or any of its Subsidiaries for the benefit of any current or former employee or director of the Company or any of its Subsidiaries or which is between the Company or any of its Subsidiaries and any such individual (each, individually, a " Plan " and collectively, the " Plans "), which, for the avoidance of doubt, will not include any Plan maintained, administered, sponsored or contributed to solely by a client of the Company or any of its Subsidiaries and without any sponsorship or administration by the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries has any Employees domiciled outside the United States or any Plans exclusively for the benefit of Employees outside the United States.

(b) With respect to each Plan, the Company has made available to Parent: (i) a current, accurate and complete copy of such Plan; (ii) the three most recent Annual Reports (Form 5500 Series) and accompanying schedules, if any; (iii) the most recent annual financial report, if any; (iv) the three most recent actuarial reports, if any; (v) the most recent determination letter from the Internal Revenue Service, if any; and (vi) any related trust agreement or funding instrument. The Company has also made available to Parent the current summary plan description and any material modifications thereto for each Plan in respect of which there exists a summary plan description.

(c) Section 4.10(c) of the Company Disclosure Schedule identifies each Plan that is intended to be a "qualified plan" within the meaning of Section 401(a) of the Code (each, a " Qualified Plan "). Each Qualified Plan is so qualified and the Internal Revenue Service has issued a favorable determination letter with respect to each Qualified Plan and the related trust has not been revoked. To the Knowledge of the Company, no events have occurred that would reasonably be expected to adversely affect the qualified status of any Qualified Plan or related trust.

(d) Except as set forth on Section 4.10(d) of the Company Disclosure Schedule or otherwise provided in this Agreement, (i) the Company has timely made or accrued all contributions required with respect to any Plan, (ii) no failure to satisfy a "minimum funding standard" (determined under the rules set forth in Section 412 of the Code and related Code sections and regulations), whether or not waived, exists with respect to any Qualified Plan subject to Title IV of ERISA, (iii) there have not been any "reportable events" (within the meaning of Section 4043 of ERISA) with respect to any Qualified Plan subject to Title IV of ERISA, and (iv) neither the Company nor any ERISA Affiliate has (A) engaged in, or is a successor to any entity that has engaged in, any transaction described in Section 4069, Section 4204, or Section 4212 (c) of ERISA, or (B) taken any action which has incurred, or could be reasonably expected to incur prior to the Closing Date, any Liability under Title IV of ERISA or Section 4971 of the Code, other than premiums due to the Pension Benefit Guaranty Corporation (the " PBGC "), which premiums have been paid when due.

(e) Except as otherwise set forth on Section 4.10(e) of the Company Disclosure Schedule , (i) neither any Plan nor any other employee benefit plan maintained by an ERISA Affiliate of the Company is a Multiemployer Plan or a Multiple Employer Plan and (ii) neither the Company nor or any of its ERISA Affiliates has (A) at any time during the last six years, contributed to or been obligated to contribute to any Multiemployer Plan or Multiple Employer Plan, or (B) incurred any Withdrawal Liability that has not been satisfied in full. No Plan that is a Multiemployer Plan is in reorganization or is insolvent (as "reorganization" and "insolvent" are defined in Sections 4241 and Section 4245 of ERISA, respectively).

(f) Each Plan is in compliance in all material respects both in form and operation with ERISA, the Code and other applicable Laws, and has been established and administered in all material respects in accordance with its terms. With respect to any Plan, (i) no actions, suits, or claims (other than routine claims for benefits in the ordinary course) are

pending or, to the Knowledge of the Company, threatened, (ii) to the Knowledge of the Company, no facts or circumstances exist that could give rise to any such actions, suits, or claims, (iii) no written or oral communication has been received from the PBGC in respect of any Plan subject to Title IV of ERISA concerning the funded status of any such plan or any transfer of assets and liabilities from any such plan in connection with the Contemplated Transactions, and (iv) no administrative investigation, audit, or other administrative Action by the Department of Labor, the PBGC, the Internal Revenue Service, or other governmental agencies are pending or, to the Knowledge of the Company, threatened or in progress (including any routine requests for information from the PBGC).

(g) Except as set forth on Section 4.10(g) of the Company Disclosure Schedule or otherwise provided in this Agreement, neither the execution and delivery of this Agreement nor the consummation of the Contemplated Transactions will (either or alone or in conjunction with any other event) (i) entitle any current or former Employee, officer, or director of the Company or any of its Subsidiaries to severance pay, golden parachute payments, unemployment compensation or other payment by the Company, any of its Subsidiaries or Parent or any of its subsidiaries, except as may be required by applicable Law, (ii) result in, cause the accelerated vesting, funding, or delivery of, or increase the amount or value of any payment or benefit to any current or former Employee, officer, or director of the Company or any of its Subsidiaries, except as may be required by applicable Law, or (iii) result in any limitation on the right of the Company or any of its Subsidiaries to amend, merge, terminate, or receive a reversion of assets from any Plan or related trust. Without limiting the generality of the foregoing, no amount paid or payable (whether in cash, in property, or in the form of benefits) by the Company or any of its Subsidiaries in connection with the Contemplated Transactions (either solely as a result thereof or as a result of any such Contemplated Transaction in conjunction with any other event) will be an "excess parachute payment" within the meaning of Section 280G of the Code. No Plan provides for the gross-up or reimbursement of Taxes under Section 409A or 4999 of the Code or otherwise.

(h) Each Plan that is a "nonqualified deferred compensation plan" within the meaning of Section 409A(d)(1) of the Code has, at all times, been established and maintained in material documentary and operational compliance with the applicable requirements of Section 409A of the Code and related regulations.

(i) Each Plan that is an employee welfare benefit plan under Section 3(1) of ERISA is either (i) funded through an insurance company contract and is not a "welfare benefit fund" within the meaning of Section 419 of the Code or (ii) self-insured and the Company has sufficient reserves to pay run-out claims if such Plan is terminated. No Plan that is an employee welfare benefit plan under Section 3(1) of ERISA provides such benefits following termination of service, except to the extent required by applicable Law.

(j) Neither the Company nor any of its Subsidiaries has engaged in a transaction in connection with which the Company or its Subsidiaries would reasonably be expected to be subject to a material civil penalty assessed pursuant to Section 409 of ERISA or a material Tax imposed pursuant to Section 4975 of the Code.

(k) All Common Stock Equivalents have been granted in compliance with the terms of the applicable Plan, with applicable Law, and with the applicable provisions of the Charter and Bylaws, as in effect at the applicable time. The Company has not issued any Common Stock Equivalents that are stock options, stock appreciation rights, or similar equity awards pertaining to Common Stock with an exercise price that is less than the "fair market value" of the underlying shares on the date of grant, as determined under Section 409A of the Code.

(l) Each individual who currently renders services to the Company or any of its Subsidiaries and who is classified by the Company or such Subsidiary, as applicable, as having the status of an independent contractor or other non-employee status for any purpose (including for purposes of taxation and tax reporting and exclusion from participation under any Plan) is properly so characterized.

SECTION 4.11 Labor and Employment Matters .

(a) Section 4.11(a) of the Company Disclosure Schedule contains a complete and accurate list of all employees, listed without names, of the Company or any of its Subsidiaries (collectively, and, for the avoidance of doubt, excluding the Assigned Employees, " Employees ") as of the date specified on such list (which shall be no earlier than five Business Days prior to the date of this Agreement) whose annual total compensation from the Company and its Subsidiaries for 2011 or annualized total compensation from the Company and its Subsidiaries for 2012 was in excess of $100,000, showing the position, annual base salary and bonus potential for each such Employee as of such date. As used in this Agreement, the term "Employees" expressly excludes individuals classified as "Assigned Employees" in the Company's service or worksite agreements with its clients or individuals acting in similar capacities under arrangements between the Company or its Subsidiaries and their clients (the " Assigned Employees ").

(b) Except as set forth in Section 4.11(b) of the Company Disclosure Schedule , the Company and its Subsidiaries are in material compliance with all applicable Laws respecting labor, employment and employment practices, terms and conditions of employment, classification of employee positions and other service provider positions, wages and hours and, as may be applicable, professional employer organization, co-employer and/or joint-employer requirements as all, to the Company's Knowledge, such Laws relate to the Business and Assigned Employees where the Company and/or its Subsidiaries are responsible for compliance with any such Laws in relation to Assigned Employees. There is no labor strike, lockout, slowdown or work stoppage pending or, to the Knowledge of the Company, threatened involving the Company or any of its Subsidiaries, nor has there been any such action within the past three years. None of the Company or any of its Subsidiaries is presently negotiating a collective bargaining agreement or similar agreement with any employee representative. To the Knowledge of the Company, there are no union organizing activities relating to any employees of the Company or any of its Subsidiaries, nor have there been any such activities within the past three years. To the Company's Knowledge, there is no unfair labor practice complaint against the Company or any of its Subsidiaries pending before the National Labor Relations Board or other Governmental Entity.

(c) Section 4.11(c) of the Company Disclosure Schedule contains a correct and complete list, as of the date specified on such list, of all independent contractors, consultants, temporary employees, leased employees or other servants or agents, in each case (i) who are natural persons, employed or used with respect to the operation of the Company or any of its Subsidiaries and are classified by the Company and its Subsidiaries as other than employees or compensated other than through wages paid by the Company or any of its Subsidiaries and reported on a form W-4 (collectively, and subject to the next sentence, " Contingent Workers ") and (ii) whose annual total compensation from the Company and its Subsidiaries for 2011 or annualized total compensation from the Company and its Subsidiaries for 2012 was in excess of $100,000, showing such person's role in the Business and a description of the fee or compensation arrangements with the Company or any of its Subsidiaries. As used in this Agreement, the term "Contingent Workers" expressly excludes Assigned Employees. To the extent that any Contingent Workers are employed or retained by the Company or any of its Subsidiaries, the Company or the applicable Subsidiary has classified and treated them in material compliance with applicable Laws, including for purposes of all employee benefit plans and perquisites including the Plans.

SECTION 4.12 Compliance with Laws; Governmental Authorizations; etc.

(a) Except for Tax and environmental Laws (for which the only representations and warranties made by the Company are set forth in Section 4.9 and Section 4.15), the Company and each of its Subsidiaries is in compliance in all material respects with all applicable Laws. Except (i) for Tax and environmental Laws (for which the only representations and warranties made by the Company are set forth in Section 4.9 and Section 4.15), (ii) for those that have been fully and finally resolved without a Material Adverse Effect or (iii) as set forth in Section 4.12(a) of the Company Disclosure Schedule , neither the Company nor any of its Subsidiaries has received since December 31, 2008, any written notice from any Governmental Entity regarding any actual or alleged, material violation of, or failure of the Company or any Subsidiary to comply in any material respect with, any Law.

(b) The Company and its Subsidiaries, collectively, hold and maintain all material Governmental Authorizations required to conduct the Business in the manner and in all such jurisdictions as it is currently conducted, except for those Governmental Authorizations the absence of which, individually and in the aggregate, is not material to the Company and its Subsidiaries, taken as a whole. The Company and each of its Subsidiaries is in compliance with each such Governmental Authorization, except for any violations which, individually or in the aggregate, would not have or reasonably be expected to have a Material Adverse Effect. Except for those that have been fully and finally resolved without a Material Adverse Effect, neither the Company nor any of its Subsidiaries has received, since December 31, 2008 any written notice from any Governmental Entity regarding any material violation of, or material failure to comply with, any Governmental Authorization.

SECTION 4.13 Real Property; Personal Property .

(a) Neither the Company nor any of its Subsidiaries owns any real property. Section 4.13(a) of the Company Disclosure Schedule contains a correct and complete list of (i) all premises leased or subleased or otherwise occupied by the Company or any of its Subsidiaries

as tenant or subtenant (the " Leased Real Property "), together with a correct and complete list of all such leases, subleases or other similar agreements (the " Real Property Leases "), and (ii) all Liens (other than Permitted Liens) relating to or affecting the Leased Real Property. Neither the Company nor any of its Subsidiaries is in material breach or material default under any of the Real Property Leases and, to the Knowledge of the Company, no other party to the Real Property Leases is in material breach or material default thereunder. The Company has heretofore delivered or made available to Parent complete and accurate copies of all Real Property Leases (including all modifications, amendments and supplements thereto).

(b) The Company or a Subsidiary of the Company is in possession of and owns or has valid leasehold interests in, or valid rights under Contract to use, all tangible personal property presently used in the conduct of the Business by the Company and its Subsidiaries.

(c) Except as set forth in Section 4.13(c) of the Company Disclosure Schedule or as set forth in the terms of the Real Property Leases, there are no leases, subleases, licenses or other agreements granting to any Person, other than the Company or any of its Subsidiaries, any right to the possession, use, occupancy or enjoyment of the Leased Real Property or any portion thereof.

(d) Except as set forth in Section 4.13(d) of the Company Disclosure Schedule , all of the land, buildings, structures and other improvements to real property used by the Company and its Subsidiaries in the conduct of the Business are located on the premises leased by the Company or any of its Subsidiaries pursuant to the Real Property Leases.

(e) Except as set forth in Section 4.13(e) of the Company Disclosure Schedule , no Consents are required to be obtained by the Company or any of its Subsidiaries under the Real Property Leases in connection with the performance by the Company or any of its Subsidiaries of its obligations hereunder or the consummation by the Company or any of its Subsidiaries of the Contemplated Transactions.

SECTION 4.14 Contracts; Customer Concentration; No Default .

(a) Section 4.14(a) of the Company Disclosure Schedule (as such Disclosure Schedule shall be updated by the Company prior to Closing to reflect additions and deletions thereto between the date of this Agreement and Closing) lists all of the following Contracts to which the Company or any of its Subsidiaries is a party or by or to which any of them or any of their properties are bound or subject (excluding each referral or broker service Contract with the Company or any of its Subsidiaries other than those under which the aggregate payments made by the Company or any of its Subsidiaries were greater than $100,000 in the 12 months ended June 30, 2012): (i) each Contract with a current or former officer, director, shareholder, employee, consultant, agent or other Representative or with an entity in which any of the foregoing is a controlling person under which aggregate payments in excess of $100,000 remain to be paid; (ii) Contracts with any labor union or association representing any employee of the Company or any of its Subsidiaries (not including Assigned Employees); (iii) partnership or joint venture Contracts; (iv) material Contracts other than those that can be canceled by the Company or its Subsidiaries (A) without liability, premium or penalty of more than $100,000 or (B) on 90

days' or less notice; (v) Contracts for the purchase by the Company or its Subsidiaries of materials, supplies, goods, services, equipment or assets pursuant to which the Company or any of its Subsidiaries is obligated to pay in excess of $250,000 during any 12-month period; (vi) Contracts containing covenants of the Company or any of its Subsidiaries not to compete in any line of business or with any Person in any geographical area; (vii) Contracts (excluding Contracts with employees of the Company or any of its Subsidiaries) containing covenants of any Person not to compete with the Company or any of its Subsidiaries in any line of business or in any geographical area; (viii) Contracts relating to the acquisition by the Company or any of its Subsidiaries of any operating business or the capital stock of any other Person since January 1, 2009; (ix) Contracts relating to existing Indebtedness of the Company; (x) IP Licenses; (xi) Contracts involving any agency relationship, distribution arrangement or franchise relationship; (xii) Contracts that provide for the indemnification of any officer, director, employee or agent of the Company or any of its Subsidiaries; or (xiii) any other Contracts (excluding customer Contracts with the Company or any of its Subsidiaries) pursuant to the terms of which there is either a current or future obligation or right of the Company or any of its Subsidiaries to make payments in excess of $100,000 or receive payments in excess of $250,000 (each such Contract that is set forth in Section 4.14(a) of the Company Disclosure Schedule or is required to be set forth on the Section 4.14(a) of the Company Disclosure Schedule , a " Material Contract ").

(b) No customer of the Company or any of its Subsidiaries accounted for more than 5% of the consolidated gross profit of the Company during the 12 months ended June 30, 2012.

(c) There has been made available to Parent true and complete copies of all of the Contracts set forth in Section 4.14(a) of the Company Disclosure Schedule as of the date of this Agreement (the " Scheduled Contracts ") and set forth in Section 4.14(a) of any Supplements. With respect to the Scheduled Contracts: (i) neither the Company nor any of its Subsidiaries is in default thereunder; (ii) to the Company's Knowledge no condition exists that with notice or lapse of time or both would constitute a default thereunder by the Company or its Subsidiaries; (iii) to the Knowledge of the Company, no other party thereto is in default thereunder; and (iv) to the Knowledge of the Company, no condition exists that with notice or lapse of time or both would constitute a default thereunder in each case, except for such defaults which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 4.15 Environmental Matters . The Company and each of its Subsidiaries are in material compliance with all applicable Environmental Laws; neither the Company nor any of its Subsidiaries has received any written notice of any material violations of any applicable Law governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials; and there are no Actions pending or, to the Knowledge of the Company, threatened by any Governmental Entity with respect to any such violations. To the Company's Knowledge, all Leased Real Properties are currently being operated by the Company and its Subsidiaries in compliance in all material respects with all applicable Environmental Laws.

SECTION 4.16 Insurance .

(a) Section 4.16(a) of the Company Disclosure Schedule sets forth a complete list of all insurance policies or binders of fire, liability, workers' compensation, motor vehicle, directors' and officers' liability, property, casualty, life and other forms of insurance owned by the Company or its Subsidiaries or under which any of the Company or any of its Subsidiaries, or their assets or properties, are insured (regardless of whether the premiums are paid by the Company or any of its Subsidiaries) (the " Company Policies "). The Company has made available to Parent correct and complete copies of such policies and binders and all pending applications for any such policies or binders.

(b) To the Knowledge of the Company, all Company Policies are in full force and effect. No written notice of cancellation or termination, or other indication that any such policy is no longer in full force or effect or that the issuer of any policy is not willing or able to perform its obligations thereunder, has been received by the Company. As of the date of this Agreement, with respect to the Company Policies, there are no pending claims against such insurance by the Company or any of its Subsidiaries as to which the insurers have denied liability.

SECTION 4.17 Brokers and Finders . Except as set forth in Section 4.17 of the Company Disclosure Schedule , no agent, broker, investment banker, intermediary, finder, Person or firm acting on behalf of the Company or which has been retained by or is authorized to act on behalf of the Company or any of its Subsidiaries is or would be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, from any of the parties hereto in connection with the execution of this Agreement or upon the consummation of the Contemplated Transactions.

SECTION 4.18 Intellectual Property .

(a) Except (i) as set forth in Section 4.18(a) of the Company Disclosure Schedule , (ii) for Intellectual Property licensed to the Company or its Subsidiaries pursuant to written agreements identified in Section 4.18(c) of the Company Disclosure Schedule , (iii) Off-the-Shelf Software, and (iv) Intellectual Property that is in the public domain or to which the Company and its Subsidiaries otherwise have legal access through principles of patent exhaustion or first sale rights, the Company or one of its Subsidiaries exclusively owns the Company Intellectual Property, free and clear of all Liens, except to the extent subject in each case to the terms of (1) an applicable license, sublicense, or other agreement identified in Section 4.18(d) of the Company Disclosure Schedule or (2) non-exclusive, internal use licenses to Company software or services granted to end user customers in the ordinary course of business pursuant to the Company's standard form of end user license agreement or subscription agreement.

(b) Section 4.18(b) of the Company Disclosure Schedule sets forth a correct and complete list of all material Marks, Copyrights and Internet domain names owned, solely or jointly, by the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries own, solely or jointly, any Patents, registered Marks or registered Copyrights, nor have any in process applications therefor.

(c) Section 4.18(c) of the Company Disclosure Schedule sets forth a correct and complete list of all written licenses or other written agreements granting rights in Intellectual Property to the Company or any of its Subsidiaries, excluding licenses for Off-the-Shelf Software (the " IP Licenses "). Neither the Company nor any of its Subsidiaries is in default in any material respect under any of the IP Licenses. To the Knowledge of the Company, (i) no other party to any such IP Licenses is in default thereunder in any material respect, nor (ii) does any condition exist that with notice or lapse of time or both would constitute such a material default thereunder.

(d) Section 4.18(d) of the Company Disclosure Schedule accurately identifies (a) each Contract pursuant to which any Person has been granted by the Company or any of its Subsidiaries any license under, or otherwise has received or acquired from the Company or any of its Subsidiaries any right (whether or not currently exercisable) or interest in, any Company Intellectual Property (other than non-exclusive, internal use licenses to Company software or services granted to end user customers in the ordinary course of business pursuant to the Company's standard form of end user license agreement or subscription agreement), and (b) whether the licenses, right, and interests so granted, received or acquired are exclusive or non-exclusive. The Company and its Subsidiaries are not bound by, and no Company Intellectual Property is subject to, any Contract containing any covenant or other provision that in any way limits or restricts the ability of the Company or any of its Subsidiaries to use, exploit, assert or enforce any Company Intellectual Property in the Business anywhere in the world.

(e) To the Company's Knowledge, each Person who is or was an employee or contractor of the Company or any of its Subsidiaries and who is or was involved in the creation or development of any Company-Owned Intellectual Property has signed an agreement containing an assignment of Intellectual Property Rights to the Company or one of its Subsidiaries and confidentiality provisions protecting the Company-Owned Intellectual Property. No current or former shareholder, officer, director, or employee of the Company or any of its Subsidiaries has any claim, right (whether or not currently exercisable), or interest to or in any Company-Owned Intellectual Property. To the Company's Knowledge, no employee of the Company or any of its Subsidiaries is (a) bound by or otherwise subject to any Contract restricting him from performing his duties for the Company or any of its Subsidiaries or (b) in breach of any Contract with any former employer or other Person concerning Intellectual Property Rights or confidentiality due to his activities as an employee of the Company or a Subsidiary of the Company.

(f) The Company and each of its Subsidiaries have taken commercially reasonable steps to maintain the confidentiality of and otherwise protect and enforce their rights in all proprietary information that the Company or any of its Subsidiaries holds, or purports to hold, as a trade secret.

(g) To the Company's Knowledge, none of the Intellectual Property, business operations, products or services used by the Company or any of its Subsidiaries, nor the conduct of the Business, infringes upon, misappropriates or otherwise violates any Intellectual Property rights of others. No third party action or suit for the infringement, misappropriation or violation of any Intellectual Property Rights is pending against the Company or any Subsidiary of the Company and, to the Knowledge of the Company, no such action is threatened. To the

Company's Knowledge, no Person has materially infringed, misappropriated or otherwise violated, and no Person is currently materially infringing, misappropriating or otherwise violating, any Intellectual Property Rights in the Company-Owned Intellectual Property.

(h) Neither the execution, delivery, or performance of this Agreement (or any of the ancillary agreements) nor the consummation of any of the Contemplated Transactions will, with or without notice or lapse of time, result in, or give any other Person the right or option to cause or declare, (i) a loss of, or Encumbrance on, any Company-Owned Intellectual Property; (ii) the release, disclosure, or delivery of any Company-Owned Intellectual Property by or to any escrow agent or other Person; or (iii) the grant, assignment, or transfer to any other Person of any license or other right or interest under, to, or in any of the Company-Owned Intellectual Property. The Company, along with its Subsidiaries, owns or otherwise has, and after the Closing the Surviving Corporation and its Subsidiaries will have, all Intellectual Property Rights needed to conduct their respective businesses as currently conducted.

(i) To the Company's Knowledge, none of the software owned, developed (or currently being developed), marketed, distributed, licensed, or sold by the Company or any of its Subsidiaries (the "Company Software") contains any "back door," "drop dead device," "time bomb," "Trojan horse," "virus" or "worm" (as such terms are commonly understood in the software industry) or any other code designed or intended to have, or capable of performing, any of the following functions: (i) disrupting, disabling, harming, or otherwise impeding in any manner the operation of, or providing unauthorized access to, a computer system or network or other device on which such code is stored or installed; or (ii) damaging or destroying any data or file without the user's consent. No source code for any Company Software has been delivered, licensed or made available to any escrow agent or other Person who is not, as of the date of this Agreement, an employee of the Company or one of its Subsidiaries. Neither the Company nor any of its Subsidiaries has any duty or obligation (whether present, contingent, or otherwise) to deliver, license, or make available the source code for any Company Software to any escrow agent or other Person. To the Company's Knowledge, no event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time) will, or could reasonably be expected to, result in the delivery, license or disclosure of the source code for any Company Software to any other Person.

(j) Section 4.18(j) of the Company Disclosure Schedule contains a complete and accurate list of: (i) each item of Open Source Software that is used by the Company or any of its Subsidiaries; (ii) whether such item of Open Source Software is distributed by the Company or any of its Subsidiaries or incorporated into the Company Software; and (iii) the corresponding Open Source License pursuant to which the Company or its Subsidiary received such Open Source Software. Neither Company nor any of its Subsidiaries has used, modified, distributed or otherwise undertaken any act or omission with respect to any Open Source Software that would be likely to result in any claim that any Company-Owned Intellectual Property, in whole or in part, is (1) required to be made available to any third party in source code form; (2) required to be licensed to any third party for the purpose of modification or redistribution; (3) required to be licensed to any third party at no charge; or (4) required to be made subject to the terms and conditions of any Open Source License.

(k) Since January 1, 2009, the Company and the Company Subsidiaries have not conducted business under any names other than the names set forth in Section 4.18(k) of the Company Disclosure Schedule .

SECTION 4.19 HIPAA . To the extent that (i) either the Company or a Subsidiary of the Company is a "covered entity" as defined in 45 C.F.R. § 160.103, (ii) either the Company, a Subsidiary of the Company or their respective business or operations are subject to or covered by the HIPAA administrative requirements codified at 45 C.F.R. Parts 160 & 162 (the " Transactions Rule ") or the HIPAA security and privacy requirements codified at 45 C.F.R. Parts 160 & 164 (the " Privacy and Security Rules "), or (iii) either the Company or any of its Subsidiaries sponsors any "group health plans" as defined in 45 C.F.R. § 160.103, the Company and each such Subsidiary has in good faith established policies and practices to reasonably comply with the applicable requirements of HIPAA, including all requirements of the Transactions Rule and the Privacy and Security Rules. As used herein, " HIPAA " means the Health Insurance Portability and Accountability Act of 1996 and all rules and regulations issued thereunder.

SECTION 4.20 Suppliers . As of the date of this Agreement, none of the Company's 10 largest suppliers (based upon aggregate payments made by the Company and its Subsidiaries to suppliers during the year ended December 31, 2011), which suppliers and the payments made to such suppliers are set forth in Section 4.20 of the Company Disclosure Schedule , has provided written notice to the Company that such Person intends to cease doing business with the Company or any of its Subsidiaries or to materially reduce the amount of services provided to the Company or its Subsidiaries, in each case where the effect of such action would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 4.21 Related Party Transactions . Except as set forth in Section 4.21 of the Company Disclosure Schedule : (a) no Related Party has any direct or indirect interest in any material asset used in or otherwise relating to the Business; (b) no Related Party is indebted to the Company or any of its Subsidiaries; and (c) no Related Party has any direct or indirect interest in any Contract, transaction or business dealing with the Company or any of its Subsidiaries or any vendor or customer of the Company or any of its Subsidiaries. "Related Party" means each current or former stockholder, director (or person with comparable level of authority) or executive officer (or person with comparable level of authority) of the Company and each of its Subsidiaries and each of their Affiliates.

SECTION 4.22 No Other Representations or Warranties . Neither this Agreement nor any of the agreements or certificates to be executed by the Company pursuant to this Agreement contains or will contain any untrue statement of material fact pertaining to the Company or the Business or omits or will omit to state any material fact pertaining to the Company or the Business necessary to make any of the representations, warranties or other statements or information contained therein not misleading in light of the circumstances under which they were made. Except for the representations and warranties contained herein, including the Company Disclosure Schedule, none of the Company, any Affiliate of the Company or any Common Holder, nor any of their respective officers, directors, employees, agents, advisors, Specified Representatives or any other Person, makes any representations or warranties to or for the benefit of Parent. The Company hereby disclaims any other representations or warranties,

whether made by the Company, any Affiliate of the Company or any Common Holder, or any of their respective officers, directors, employees, agents, advisors, Specified Representatives or any other Person, with respect to the execution and delivery of this Agreement, the Contemplated Transactions or the Business.

SECTION 4.23 No Knowledge of Inaccuracies . As of the date of this Agreement, the Company has no knowledge, and its officers, directors, employees and representatives have no actual knowledge, that any of the representations and warranties contained in Article V is not true and correct in all material respects.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PARENT

Parent hereby represents and warrants to the Company as follows:

SECTION 5.1 Organization and Good Standing . Each of Parent and Merger Sub is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation.

SECTION 5.2 Authority . Each of Parent and Merger Sub has the full power and authority and has taken all action necessary in order to execute, deliver and perform fully, its obligations under, this Agreement and to consummate the Contemplated Transactions. The execution and delivery by each of Parent and Merger Sub of this Agreement and the consummation by each of Parent and Merger Sub of the Contemplated Transactions have been duly authorized and approved and no other corporate proceeding with respect to Parent or Merger Sub is necessary to authorize this Agreement, or the Contemplated Transactions. This Agreement has been duly executed and delivered by each of Parent and Merger Sub and, assuming that this Agreement constitutes the legal, valid and binding obligation of the Company, is a valid and binding agreement of each of them, enforceable against each of them in accordance with its terms except to the extent that the enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally and subject to general principles of equity and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any Action may be brought.

SECTION 5.3 Governmental Filings and Consents; No Violations .

(a) Except for the HSR Filing, no Filings are required to be made by Parent, Merger Sub or any of their Affiliates with, nor are any Consents or Governmental Authorizations required to be obtained by Parent, Merger Sub or any of their Affiliates from, any Governmental Entity, in connection with the execution or delivery by Parent or Merger Sub of this Agreement, the performance by Parent or Merger Sub of its obligations hereunder, the consummation by Parent or Merger Sub of the Contemplated Transactions, or the conduct of the Business by Parent, the Company or any its Subsidiaries following the Closing.

(b) Assuming the making of the HSR Filing, the execution and delivery by Parent and Merger Sub of this Agreement does not, and the performance and consummation by Parent and Merger Sub of any of the Contemplated Transactions will not, directly or indirectly (with or without the giving of notice or the lapse of time or both) constitute, result in or give rise to:

(i) a breach or violation of, or a default under any provision of Parent's or Merger Sub's certificate of incorporation or bylaws;

(ii) a material breach or material violation of, or a material default under, or the cancellation, modification or termination of, or the acceleration of, or the creation of a Lien on any properties or assets owned or used by Parent pursuant to, or require the making of any Filing or the obtaining of any Consent under, any provision of a Contract that is material to Parent or Merger Sub, under which Parent or Merger Sub is a party or bound or pursuant to which Parent or Merger Sub is subject to any Liability; or

(iii) a material breach or material violation of any Law or a breach or violation of any Order to which Parent or Merger Sub, or any of the assets owned or used by Parent or Merger Sub, are subject.

(c) There are no Actions pending or Orders issued, or, to the knowledge of Parent or Merger Sub, threatened against Parent or Merger Sub or any of its assets including any Actions or Orders that question or challenge the validity or legality of, or have the effect of prohibiting, preventing, restraining, restricting, delaying, making illegal or otherwise interfering with, this Agreement, the consummation of the Contemplated Transactions or any action taken or proposed to be taken by Parent or Merger Sub pursuant hereto or in connection with the Contemplated Transactions.

SECTION 5.4 Access; No Knowledge of Inaccuracies . The Parent acknowledges that it and its representatives have been permitted access to the books and records, facilities, equipment, Tax Returns, contracts, insurance policies (or summaries thereof) and other properties and assets of the Company and the Company Subsidiaries that it and its representatives have desired or requested to see or review, and that it and its representatives have had a full opportunity to meet with the officers and employees of the Company and the Company Subsidiaries to discuss the Business of the Company and the Company Subsidiaries. As of the date of this Agreement, Parent has no knowledge, and its officers, directors, employees and representatives have no actual knowledge, that any of the representations and warranties contained in Article IV is not true and correct in all material respects. The Parent acknowledges that neither the Company, the Common Holders, nor any other Person, directly or indirectly, has made, and the Parent has not relied on, any representation or warranty regarding any pro-forma financial information, financial projections or other forward-looking statements of the Company or any Company Subsidiary, and the Parent will make no claim with respect thereto.

SECTION 5.5 Operations of Merger Sub . Merger Sub was formed solely for the purpose of engaging in the Contemplated Transactions, has engaged in no other business activities, and has conducted its operations only as contemplated by this Agreement.

SECTION 5.6 Financing . As of the Closing Date, Parent will have immediate access to all funds necessary to pay the Estimated Merger Consideration, the adjustments to the Estimated Merger Consideration under Section 3.4 , the Escrow Amount, the Stockholder Representative Fund, the Credit Facility Payoff amount and the amount of the Company Expenses and all of its fees and expenses in order to consummate the Contemplated Transactions, and Parent will ensure that Merger Sub has the financial capacity to perform all of its other obligations under this Agreement. Parent confirms that it is not a condition to Closing or any of the other obligations hereunder that Parent obtain any financing.

SECTION 5.7 Brokers and Finders . No agent, broker, investment banker, intermediary, finder, Person or firm acting on behalf of Parent or which has been retained by or is authorized to act on behalf of Parent is or would be entitled to any broker's or finder's fee or any other commission or similar fee in connection with the execution of this Agreement or upon consummation of the Contemplated Transactions.

SECTION 5.8 No Other Representations or Warranties . Neither this Agreement nor any of the agreements or certificates to be executed by Parent or Merger Sub pursuant to this Agreement contains or will contain any untrue statement of material fact pertaining to Merger Sub or Parent or omits or will omit to state any material fact pertaining to Merger Sub or Parent necessary to make any of the representations, warranties or other statements or information contained therein not misleading in light of the circumstances under which they were made. Except for the representations and warranties contained herein, none of Parent, Merger Sub, any Affiliate of Parent or Merger Sub, nor any of their respective officers, directors, employees, agents, Specified Representatives or any other Person makes any representations or warranties to or for the benefit of the Company. Parent and Merger Sub hereby disclaim any other representations or warranties, whether made by Parent, Merger Sub or any Affiliate of Parent or Merger Sub, or any of their respective officers, directors, employees, agents, Specified Representatives or other Person, with respect to the execution and delivery of this Agreement or the Contemplated Transactions.

ARTICLE VI

COVENANTS AND ADDITIONAL AGREEMENTS

SECTION 6.1 Conduct of Business .

(a) Except as contemplated by this Agreement, from the date of this Agreement until the Closing (or earlier termination of this Agreement), the Company shall, and shall cause each of its Subsidiaries to (i) operate and carry on the Business only in the Ordinary Course of Business and in material compliance with all Laws, (ii) use commercially reasonable efforts to keep in full force and effect each of the insurance policies set forth in Section 4.16(a) of the Company Disclosure Schedule and (iii) use commercially reasonable efforts to keep available the services of their respective current officers, employees and contractors and maintain their relationships and good will with suppliers, customers, landlords, creditors, employees, labor organizations, Governmental Entities and other Persons having business relationships with the Company or any of its Subsidiaries in the Ordinary Course of Business.

(b) Without limiting the generality of Section 6.1(a) , except as contemplated by this Agreement, prior to the Closing Date, the Company shall not, and shall cause its Subsidiaries not to, without the prior consent in writing of Parent (which consent shall not be unreasonably withheld, conditioned or delayed):

(i) amend the Charter or the Bylaws or the comparable organizational documents of any of the Company Subsidiaries;

(ii) authorize for issuance, issue, deliver, sell or agree or commit to issue, sell or deliver (by the issuance or granting of options, warrants or rights to purchase equity securities of the Company or any of its Subsidiaries), pledge or otherwise encumber any equity securities of the Company or any of its Subsidiaries, any securities exchangeable for or convertible into equity securities of the Company or any of its Subsidiaries, or any other securities of the Company or any of its Subsidiaries, except that the Company may issue shares of its Common Stock pursuant to the exercise of Common Stock Equivalents set forth in Section 4.2 of the Company Disclosure Schedule in accordance with the agreements therefor in existence on the date of this Agreement and disclosed in writing to Parent prior to the date hereof;

(iii) split, combine or reclassify any equity securities of the Company or any of its Subsidiaries or declare, set aside or pay any dividends or make any other distributions (whether in cash, stock or other property) in respect of any securities of the Company or any of its Subsidiaries, except for the payment of dividends or distributions to the Company or any of its Subsidiaries by a direct or indirect Subsidiary of the Company;

(iv) redeem, purchase or otherwise acquire for any consideration (A) any outstanding shares of the Company's capital stock or securities carrying the right to acquire, or which are convertible into or exchangeable or exercisable for, with or without additional consideration, such stock, (B) any other securities of the Company or any of its Subsidiaries, or (C) any interest in any of the foregoing, except, in any such case, as required by the terms of Scheduled Contracts;

(v) (A) incur any Indebtedness for borrowed money, other than Indebtedness between a Subsidiary of the Company and the Company or any of its other Subsidiaries and other than permitted additional borrowings under the Credit Facility of not more than $2,000,000 in the aggregate, (B) guarantee any indebtedness of another Person (other than the Company or any of its Subsidiaries), (C) enter into any "keep well" or other agreement to maintain any financial statement condition of another Person (other than the Company or any of its Subsidiaries), (D) make any loan, advance or capital contribution to, or investment in, any other Person, other than between the Company and any of its Subsidiaries, or (E) amend, supplement or otherwise modify any of the terms of the credit agreements or any other instrument or agreement evidencing indebtedness for borrowed money of the Company or its Subsidiaries;

(vi) make any acquisition or disposition (or series of related acquisitions or dispositions) of stock or assets of any entity other than acquisitions of supplies or other assets in the Ordinary Course of Business;

(vii) make any payment for a capital expenditure that, in the aggregate when added to all capital expenditures made since the date of the Interim Balance Sheet, exceeds the total amount for such expenditures set forth in the Company's most recent annual budget provided by the Company to Parent prior to the date of this Agreement, to the extent such expenditures are contemplated to be made on or before September 30, 2012, by $100,000 or more;

(viii) (A) sell, lease, license, or otherwise dispose of any of its material properties or assets, or any material part of its properties or assets, or (B) mortgage, pledge or otherwise encumber or subject to any Lien (other than Permitted Liens) any of such properties or assets other than as is required under the Credit Facility;

(ix) merge or consolidate with any Person, adopt a plan of complete or partial liquidation, dissolution, bankruptcy, restructuring, recapitalization or other reorganization;

(x) other than with respect to Assigned Employees, enter into any employment or similar Contract with, or increase the compensation or benefits of, any employee (other than any employee who is not a party to a written employment Contract that constitutes a Scheduled Contract with the Company or any of its Subsidiaries, consultant or director of the Company or any of its Subsidiaries and, then, only in the Ordinary Course of Business), except for increases in compensation and benefits that are required by applicable Law or a Scheduled Contract;

(xi) adopt, amend in any material respect or terminate any Plan except (A) immaterial Plan amendments and immaterial Plan partial terminations occurring in the Ordinary Course of Business, or (B) as required by Law, by the terms of any such Plan or any Scheduled Contract;

(xii) change any accounting principle used by it or make any Tax election, unless (A) required to conform to changes in Tax laws, regulatory accounting requirements or GAAP or (B) with regard to changes in accounting principles only, is in the Ordinary Course of Business, in accordance with GAAP and consistent with prior past practice of the Company and its Subsidiaries;

(xiii) other than with respect to workers compensation claims, employer practices liability insurance claims or collection actions in the Ordinary Course of Business, commence any Action (other than any collection Actions individually in an amount less than or equal to $75,000) or settle or compromise any pending or threatened Action or other claim made by any Person, other than settlements of pending and threatened Actions and claims in the Ordinary Course of Business that do not involve payment by the Company or any of its Subsidiaries in excess of $75,000, provide for a full release of claims of the Company and its Subsidiaries by the claimant and do not involve any continuing material obligations of the Company or any of its Subsidiaries;

(xiv) create, authorize or acquire any new Subsidiary of the Company or of any of the Subsidiaries; or

(xv) agree, commit or resolve to do or authorize any of the foregoing.

SECTION 6.2 Access . Between the date of this Agreement and the Closing Date, the Company shall, and shall cause its Subsidiaries to, (i) afford Parent and the officers, employees, lenders, agents and representatives, including its and their legal counsel, accountants and financial advisors (collectively, " Specified Representatives ") of Parent, reasonable access to the premises, properties, Contracts, books and records, and other documents and data of the Company and its Subsidiaries, (ii) furnish Parent and its Specified Representatives with copies of all such Contracts, books and records, and other existing documents and data as Parent may reasonably request, (iii) furnish Parent and its Specified Representatives with such additional financial, operating, and other data and information as Parent may reasonably request, and (iv) otherwise cooperate with any further investigation by Parent and its Specified Representatives of the Company and its Subsidiaries pursuant to this Section 6.2 ; provided , however , that such access shall be provided in a manner that does not unreasonably interfere with the Business or operations of the Company and its Subsidiaries. All requests for access and information made pursuant to this Section 6.2 (other than requests for access to or contact with customers or suppliers) shall be directed to the Company's Chief Executive Officer, Chief Financial Officer or General Counsel. Access to or contact with the Company's or its Subsidiaries customers or suppliers shall be permitted only with the Stockholder Representative's prior consent, and shall be provided at such times and in such manner as to maintain, to the fullest extent possible, the confidentiality of this Agreement and the Contemplated Transactions.

SECTION 6.3 Required Approvals; Filings and Authorizations .

(a) Prior to the Closing, and subject to the terms and conditions of this Agreement, the Company, on the one hand, and Parent, on the other hand, shall use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, including under any Contract or applicable Law, to consummate and make effective as promptly as practicable the Contemplated Transactions, including using its commercially reasonable efforts (which shall not require either party to make any payment or concession to any Person in connection with obtaining such Person's consent) to obtain all necessary waivers and Consents of Governmental Entities and other Persons required in order to consummate the Contemplated Transactions, including the Consents set forth in Sections 4.4 and 4.5 of the Company Disclosure Schedule (such waivers and Consents, the " Third Party Consents "), making all filings and submissions and obtaining all necessary approvals, waivers and licenses, making effective all necessary registrations and taking such actions as are necessary to lift any injunction or other legal bar to the consummation of the Contemplated Transactions (and, in such case, to proceed with the consummation of the Contemplated Transactions as expeditiously as possible), including through all possible appeals.

(b) In addition to and without limitation of the foregoing, each of Parent and the Company undertakes and agrees to, or to cause any Person that may be deemed to be the ultimate parent entity of the Company or Parent, respectively, to: (i) file within seven Business Days of the date of this Agreement the HSR Filing with the FTC and the Antitrust Division, with such HSR Filing including a request for early termination of the statutory waiting period; (ii) file as soon as practicable any form or report required by any other Governmental Entity relating to antitrust, competition, trade or other regulatory matters; and (iii) otherwise undertake to obtain any clearance or Consent for the Contemplated Transactions required by any Governmental Entity or applicable Law. Each of Parent and the Company shall (A) respond as promptly as

practicable to any inquiries or requests received from any Governmental Entity for additional information or documentation, and (B) not extend any waiting period under the HSR Act, if applicable, or enter into any Contract with any Governmental Entity not to consummate the Contemplated Transactions, except with the prior written consent of the other parties hereto. Each of Parent and the Company shall, except as otherwise contemplated in this Agreement: (1) promptly notify the other parties of any written communication to that party or its Affiliates from any Governmental Entity with respect to this Agreement or the Contemplated Transactions and, subject to applicable Law, permit the other parties to review in advance any proposed written communication to any of the foregoing; (2) not agree to participate, or to permit its Affiliates to participate, in any substantive meeting or discussion with any Governmental Entity in respect of any filings, investigation or inquiry concerning this Agreement or the Contemplated Transactions unless it consults with the other parties in advance and, to the extent permitted by such Governmental Entity, gives the other parties the opportunity to attend and participate thereat; and (3) furnish the other parties with copies of all correspondence, filings, and communications between them and their Affiliates and their respective Representatives on the one hand, and any Governmental Entity or members of their respective staffs on the other hand, with respect to this Agreement and the Contemplated Transactions except that (i) each party may restrict access to the other party's outside counsel and (ii) neither party shall be under any obligation of any kind to provide any other party portions of documents, material or other information directly addressing the valuation of the Company or alternatives to the proposed Contemplated Transactions and this Agreement). Parent acknowledges and agrees that it shall pay and shall be solely responsible for the payment of the filing fees associated with its acquisition of voting securities of the Company under the HSR Act. Parent shall be responsible for and shall pay the filing fees associated with the Contemplated Transactions under the HSR Act

(c) The parties hereto shall coordinate and cooperate with one another in exchanging and providing such information to each other and in making the filings and requests referred to in subclauses (a) and (b) above. The parties hereto shall supply such reasonable assistance as may be reasonably requested by any other party hereto in connection with the foregoing.

(d) Notwithstanding anything to the contrary herein, if any order is made by any Governmental Entity or any suit is threatened or instituted challenging any of the Contemplated Transactions as violative of any Law, Parent shall take commercially reasonable efforts in order to resolve such objections as such Governmental Entity may have to such transactions under such Law. Parent will also take commercially reasonable efforts to resolve challenges in any domestic or foreign court or similar tribunal, in any suit brought by any Person or Governmental Entity challenging the Contemplated Transactions as violative of any Law, in order to avoid the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order that has the effect of preventing the consummation of the Contemplated Transactions.

(e) Notwithstanding the foregoing or any other provision of this Agreement to the contrary, in connection with obtaining approval from any Governmental Entity in connection with the efforts to effectuate this Agreement or any of the Contemplated Transactions, Parent shall not be required to, and the Company may not, without the prior written consent of Parent, (i) sell, divest, hold separate, transfer, dispose of or encumber, before or after the Closing, any

assets, operations, rights, product lines, businesses or interest therein of Parent or any of its Affiliates or of the Company or any of its Subsidiaries or Affiliates (or consent to any of the foregoing actions), (ii) otherwise agree to conduct their business in a specified manner or (iii) pay any amounts in order to obtain such approval from any Governmental Entity (other than the fees and expenses of its outside counsel and other advisors in connection with performing its obligations under subclause (b) above.

SECTION 6.4 Commercially Reasonable Efforts . Between the date of this Agreement and the Closing Date, each of the parties hereto shall use their respective commercially reasonable efforts to cause the conditions in Section 7.1 and Section 7.3 to be satisfied.

SECTION 6.5 Publicity . The parties shall consult with each other as to the form and substance of any press releases or other public announcements related to this Agreement or the Contemplated Transactions and no party shall issue any such press release or make any such public announcement without the prior written consent of the other party hereto, except nothing in this Section 6.5 shall be deemed to prohibit any party from making any disclosure or filing as may be required by Law or by obligations pursuant to any listing agreement with or rules of any national securities exchange or interdealer quotation service, in which case, the party making such determination will, if practicable under the circumstances, use reasonable efforts to allow the other parties reasonable time to comment on such disclosure or filing in advance of its issuance or filing; provided that Common Holders that are not individuals may disclose this Agreement and the terms hereof to their respective limited partners or other equity owners.

SECTION 6.6 Confidentiality . Any information provided to Parent or its Affiliates pursuant to this Agreement (including information provided pursuant to Section 6.2) shall be held by Parent and its Affiliates and their Specified Representatives in accordance with, and shall be subject to the terms of, the Confidentiality Agreement executed by Parent or its Affiliate dated March 27, 2012 (the " Confidentiality Agreement "), which is hereby incorporated in this Agreement by reference as though fully set forth in this Agreement and shall continue in force until consummation of the Closing, at which time the Confidentiality Agreement shall terminate; provided that Parent and its Affiliates may disclose such information as may be necessary in connection with seeking approvals required from Governmental Entities, including approvals required under the HSR Act and licensing requirements imposed by any state Governmental Entity, for the consummation of the Contemplated Transactions; provided , further , that if this Agreement is terminated in accordance with Article VIII prior to Closing, the Confidentiality Agreement shall remain in full force and effect, in accordance with its terms, except that the term of the Confidentiality Agreement shall continue until the later of (i) one year from the date of such termination of this Agreement or (ii) the then existing term of the Confidentiality Agreement.

SECTION 6.7 Expenses . Except as otherwise expressly provided herein, whether or not the Contemplated Transactions hereby are consummated, all costs and expenses incurred in connection with this Agreement, and the Contemplated Transactions including all legal, accounting and investment banking fees, and other fees to consultants and advisors (a) by the Company or any of its Subsidiaries shall be paid by the Company and (b) by Parent shall be paid by Parent.

SECTION 6.8 Employee Benefit Plans . From the Effective Time through September 30, 2013, the officers and employees of the Company and its Subsidiaries (other than individuals who are Contingent Workers or Assigned Employees) who, as of the Effective Time, continue employment with the Company or any of its Subsidiaries (the " Continuing Employees ") shall continue to be covered under the Company's existing benefit plans (other than equity compensation arrangements). From and after the Effective Time and to the extent legally permissible, Parent shall cause the Parent benefit plans that are welfare benefit plans that cover the Continuing Employees after the Effective Time to waive any waiting period and restrictions and limitations for preexisting conditions or insurability, unless such conditions were not covered because of a preexisting condition under the Plan in which the Continuing Employee participated immediately prior to the Effective Time, and cause any deductible, co-insurance or maximum out-of-pocket payments made by the Continuing Employees prior to October 1, 2013 under the Plan to be credited to such Continuing Employees under the Parent benefit plans, so as to reduce the amount of any deductible, co-insurance or maximum out-of-pocket payments payable by the Continuing Employees under the Parent benefit plans for the applicable plan year under such Parent benefit plans that includes October 1, 2013, as if such amounts had been paid in accordance with such Parent benefit plans. For purposes of participation and vesting under Parent benefit plans that satisfy the requirements of this Section 6.8 (but not for purposes of benefit accrual to the extent it would result in the duplication of benefits arising from the application of this Section 6.8), service under the Plans shall be treated as service under such Parent benefit plans. Parent also shall cause the Company to honor all employment, severance, consulting, and other compensation Contracts disclosed in Section 6.8 of the Company Disclosure Schedule to the extent such Contracts remain in effect, as they may be amended from time to time. Following the Effective Time, Parent shall, or shall cause the Company to, pay the full amount of employee bonuses, commissions and earned compensation accrued by the Company until the Effective Time and reflected on the Final Closing Balance Sheet, in accordance with the Company's policies existing as of the Effective Time. Following the Effective Time through September 30, 2013, Parent shall, or shall cause the Company to, pay to the Continuing Employees, all base pay, and all bonuses, commissions and other earned compensation as provided for in the Company's Great Game of Business Plan and paid time-off policies, in each case as in effect as of the Effective Time, but only to the extent such payments do not conflict with applicable Law. Without limiting the generality of Section 11.1 , the provisions of this Section 6.8 are solely for the benefit of the parties to this Agreement, and no current or former director, officer or employee of the Company or any of its Subsidiaries or any other individual shall be regarded for any purpose as a third party beneficiary of this Agreement, and nothing contained in this Agreement shall (i) constitute or be deemed to be an amendment to any Parent benefit plan or any other compensation or benefit plan, program, or arrangement of Parent or its Subsidiaries for any purpose, (ii) guarantee employment for any period of time, or preclude the ability of Parent or any of its Subsidiaries to terminate any employee of the Company or any of its Subsidiaries for any reason, or (iii) subject to the first sentence of this Section 6.8 , require Parent or the Surviving Corporation or any of their respective Subsidiaries to continue any Plan or other employee benefit plan or arrangement or prevent the amendment, modification, or termination thereof in accordance with the terms thereof and applicable Law.

SECTION 6.9 Indemnification of Directors and Officers of the Company; Directors' and Officers' Insurance .

(a) Parent agrees that all rights to indemnification and all limitations on Liability existing in favor of the current and former directors and officers of the Company (the " Covered Parties ") as provided in the Charter, the Bylaws or indemnification agreements, as in effect as of the date of this Agreement with respect to matters occurring prior to or on the Closing Date shall survive the Closing and shall continue in full force and effect for a period of six years following the Effective Time; provided that nothing contained in this Section 6.9 shall be deemed to preclude the liquidation, consolidation or merger of the Company, in which case all of such rights to indemnification and limitations on Liability shall be deemed to so survive and continue notwithstanding any such liquidation, consolidation, or merger. Without limiting the foregoing, in any case in which approval by the Company is required to effectuate any indemnification, Parent shall cause the Company to direct, at the election of the Covered Party, that the determination of any such approval shall be made by independent counsel mutually agreed upon between Parent and the Covered Party. To the maximum extent provided therein and permitted by applicable Law, the indemnification and related rights afforded the Covered Parties under the Charter, the Bylaws or any indemnification agreement as in effect on the date of this Agreement shall be mandatory rather than permissive.

(b) Prior to the Closing, the Company shall acquire and maintain directors' and officers' liability insurance "tail coverage" reasonably acceptable to the Stockholder Representative and Parent, insuring those persons who served as directors or officers of the Company on or before the Effective Time and shall pay any and all costs and expenses with respect to claims made under such insurance policy pertaining to periods prior to Closing, including any deductible amounts for the six-year period commencing on the Closing Date; provided that such "tail coverage" that continues the existing directors' and officers' liability insurance as in effect immediately prior to the Effective Time shall be deemed to be reasonably acceptable to Parent. The cost of such coverage shall be borne by the Company, whether paid prior to or after the Closing.

(c) Parent shall cause any Person into which the Company shall consolidate or merge or to which the Company shall transfer all or substantially all of its assets to assume the obligations set forth in this Section 6.9 .

SECTION 6.10 Exclusivity . Until the earlier of the Closing and such time as this Agreement is terminated in accordance with Article VIII , except for the Contemplated Transactions, the Company will not, and will cause the Company Subsidiaries and the Company's and the Company Subsidiaries' respective Specified Representatives not to, directly or indirectly, enter into, participate in, solicit or encourage any negotiation, discussion, contract, agreement, instrument, arrangement or understanding with any party with respect to the sale of the Common Shares or all or substantially all the assets of the Company or any of the Company Subsidiaries, or any merger, recapitalization or similar transaction with respect to the Company or any of the Company Subsidiaries or the Business.

SECTION 6.11 Waiver of Conflicts . Recognizing that Duane Morris has acted as legal counsel to the Stockholder Representative and its Affiliates, and has acted as legal counsel to the Company and the Company Subsidiaries prior to the Closing, and that Duane Morris intends to act as legal counsel to certain of the Stockholder Representative and its Affiliates after the Closing, the Company hereby waives, on its own behalf and agrees to cause the Company Subsidiaries to waive, any conflicts that may arise in connection with Duane Morris representing the Representative and its Affiliates after the Closing.

SECTION 6.12 Schedules Update . Following the date hereof, the Company shall deliver to Parent a supplement to the Company Disclosure Schedule (the " Supplement ") to reflect any fact or condition occurring after the date hereof that would cause a breach of a representation and warranty of the Company had such representation or warranty been made on the Closing Date. The rights and obligations of the parties hereto with respect to any Supplement will be as follows:

(a) For purposes of determining whether the Company has breached any of its representations and warranties, matters set forth in any Supplement (provided, however, that Supplements shall not cure any breaches in existence on the date of this Agreement) will have the same status as other matters set forth in the Company Disclosure Schedule except that such update shall not be given any effect for purposes of determining whether the condition set forth in Section 7.1(a) has been satisfied, and if the Parent consummates the Contemplated Transactions after receiving such Supplement, the Parent will not be entitled to indemnification pursuant to Article IX for any misrepresentation or breach of warranty that would have been cured by virtue of the disclosure contained in such Supplement (provided, however, that Supplements shall not cure any breaches in existence on the date of this Agreement).

(b) Nothing in this Agreement, including this Section 6.12 , will imply that the Company is making any representation or warranty as of any date other than the date of this Agreement and the Closing Date.

ARTICLE VII

CONDITIONS TO CLOSING

SECTION 7.1 Conditions to Obligations of Parent . The obligation of Parent to consummate the Contemplated Transactions by this Agreement and to take the other actions to be taken by Parent at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived in whole or in part by Parent):

(a) Representations and Warranties . The representations and warranties of the Company contained in this Agreement shall be true and correct in all material respects, in each case as of the Closing Date as though made as of such date (except to the extent such representations and warranties expressly relate to a specific date, in which case such representation and warranty shall be true and correct as of such date); provided , however , that the Fundamental Representations, and any representations of the Company that contain materiality or Material Adverse Effect qualifiers, shall be true and correct in all respects.

(b) Covenants . The Company shall have performed in all material respects all of its respective obligations hereunder required to be performed at or prior to the Closing.

(c) No Order or Actions . No Order (whether temporary, preliminary or permanent) shall be issued or entered and be in effect that restrains, enjoins or otherwise prohibits consummation of the Contemplated Transactions, and there shall not have been

commenced or threatened against any of the parties to this Agreement, any Company Subsidiary or any of their respective Affiliates any Action (i) that challenges or seeks damages or other relief in connection with the Contemplated Transactions or (ii) that would reasonably be expected to have the effect of preventing, delaying, making illegal or otherwise interfering with any of the Contemplated Transactions.

(d) HSR Act; Consents . The waiting period required by the HSR Act, and any extensions thereof obtained by request or other action by the FTC or the Antitrust Division, shall have expired or been terminated by the FTC and the Antitrust Division. Each Consent or license by any Governmental Entity necessary for the consummation of the Contemplated Transactions shall have been obtained and shall be in full force and effect. Each of the other Consents set forth on Schedule 7.1(d) shall have been obtained and be in effect.

(e) No Material Adverse Effect . Since the date of this Agreement, there shall not have occurred any event or events that, individually or in the aggregate, had, or would reasonably be expected to have, a Material Adverse Effect.

(f) Dissenting Shares . The Dissenting Shares as of the Closing shall represent, in the aggregate, less than 5% of the outstanding shares of capital stock of the Company as of the Closing.

(g) Deliveries . The Company shall have delivered to Parent: (i) a certificate signed by an authorized officer of the Company to the effect that each of the conditions specified in Section 7.1(a) through Section 7.1(f) inclusive have been satisfied, subject to the provisions of Section 7.2 ; (ii) an executed copy of the Certificate of Merger; (iii) the Escrow Agreement executed by the Company, the Stockholder Representative and the Escrow Agent; and (iv) the letters of transmittal, stock certificates and other documents required by the Company, each pursuant to Section 3.3(e)(ii) .

(h) Payoff Letter(s) . The Company shall have received and delivered to Parent payoff letter(s) in form and substance reasonably acceptable to Parent with respect to the payment of the Credit Facility Payoff Amount and the Company Expenses and the release of all Liens related thereto.

(i) Termination of Management Agreements . The Company shall have received and delivered to Parent fully executed termination agreements in form and substance reasonably acceptable to Parent with respect to the Management Agreements.

(j) FIRPTA . The Company shall have delivered to Parent (i) a statement (in such form as may be reasonably requested by counsel to Parent) conforming to the requirements of Section 1.897-2(h)(1)(i) of the United States Treasury Regulations and (ii) for delivery to the IRS, the notification required under Section 1.897-2(b)(2) of the United States Treasury Regulations.

SECTION 7.2 Closing Notices . At any time following the date of this Agreement, the Company may deliver to Parent a certificate (a " Company Certificate ") signed by an authorized officer of the Company to the effect that each of the conditions set forth in Section 7.1(a) through Section 7.1(f) inclusive (the " Fundamental Closing Conditions ") have been

satisfied as of the date of the Company Certificate (the " Certificate Effective Time "). Notwithstanding anything to the contrary in this Agreement, if the Company delivers a Company Certificate, then, if Parent has not delivered a written notice to the Company and the Stockholder Representative objecting to the accuracy of the statements contained in the Company Certificate by 5:00 pm New York Time on the second Business Day following the date of the Company Certificate, effective as of such time (A) all the representations and warranties of the Company contained in this Agreement as of Certificate Effective Time shall be deemed, for all purposes of this Agreement, to be the representations and warranties of the Company as of the Closing Date without consideration of any events that occur following the Certificate Effective Time, (B) the Company shall have no further obligations under Section 6.12 as of and following the Certificate Effective Time and (C) the conditions set forth in Section 7.1(a) and Section 7.1(e) shall terminate ab initio with no further force or effect as of the Certificate Effective Time.

SECTION 7.3 Conditions to Obligations of the Company . The obligation of the Company to consummate the Contemplated Transactions and to take the other actions to be taken by the Company and the Stockholder Representative at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived in whole or in part by the Stockholder Representative):

(a) Representations and Warranties . The representations and warranties of Parent contained in this Agreement shall be true and correct in all material respects, in each case as of the Closing Date as though made as of such date (except to the extent such representations and warranties expressly relate to a specific date, in which case such representation and warranty shall be true and correct as of such date); provided , however , that any representations of Parent that contain materiality qualifiers shall be true and correct in all respects.

(b) Covenants . Each of Parent and Merger Sub shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Closing.

(c) No Order or Actions . No Order (whether temporary, preliminary or permanent) shall be issued or entered and be in effect that restrains, enjoins or otherwise prohibits consummation of the Contemplated Transactions, and there shall not have been commenced or threatened against any of the parties to this Agreement, any Company Subsidiary or any of their respective Affiliates any Action (i) that challenges or seeks damages or other relief in connection with the Contemplated Transactions or (ii) that would reasonably be expected to have the effect of preventing, delaying, making illegal or otherwise interfering with any of the Contemplated Transactions.

(d) HSR Act; Consents . The waiting period required by the HSR Act, and any extensions thereof obtained by request or other action by the FTC or the Antitrust Division, shall have expired or been terminated by the FTC and the Antitrust Division. Each Consent or license by any Governmental Entity necessary for the consummation of the Contemplated Transactions shall have been obtained and shall be in full force and effect. Each of the Consents set forth on Schedule 7.1(d) shall have been obtained and be in effect.

(e) Deliveries . Parent shall have delivered to the Stockholder Representative: (i) a certificate signed by an authorized officer of Parent to the effect that each of the conditions specified in Section 7.3(a) and Section 7.3(b) have been satisfied; (ii) the Certificate of Merger executed by Parent and Merger Sub; and (iii) the Escrow Agreement executed by Parent.

ARTICLE VIII

TERMINATION

SECTION 8.1 Termination . Notwithstanding anything in this Agreement to the contrary, this Agreement and the Contemplated Transactions may, by written notice given at any time prior to the Closing, be terminated:

(a) by mutual written consent of Parent and the Company;

(b) by either of Parent or the Company, without Liability to the terminating party on account of such termination, if the Closing has not occurred (other than if caused by the failure of any party seeking to terminate this Agreement to fully comply with its obligations hereunder or a breach of such party's representations or warranties) on or before October 31, 2012;

(c) by either Parent or the Company (provided that the terminating party is not then in breach of any representation or warranty contained in this Agreement (under the applicable standard set forth in Section 7.1(a) in the case of Parent being the terminating party and Section 7.3(a) in the case of the Company being the terminating party) or in material breach of any covenant, agreement, understanding or obligation contained in this Agreement), if a material breach of any representation, warranty, covenant or other agreement contained in this Agreement has been committed by the other party and such breach has not been waived and has not been (or cannot be) cured within 30 days after the giving of written notice to the breaching party of such breach;

(d) by Parent, if, by the end of the Business Day following the execution and delivery of this Agreement by the parties hereto, the Company has not obtained and delivered to Parent written consents representing the affirmative vote of the holders of any of Company Capital Stock necessary to adopt this Agreement and approve the Merger and the Contemplated Transactions under applicable law, the Charter or other Company organizational documents or any Contract to which the Company is a party or is otherwise bound; or

(e) by either Parent or the Company, if any Governmental Entity shall have issued, enacted, entered, promulgated or enforced any Order, or taken any other action restraining for a period of six months or more or enjoining or otherwise prohibiting the consummation of the Contemplated Transactions by final nonappealable Order or Action of such Governmental Entity.

SECTION 8.2 Effect of Termination . In the event of the termination of this Agreement pursuant to Section 8.1 , this Agreement shall become null and void and have no effect, and none of Parent, the Company, the Stockholder Representative or any of their respective Specified Representatives, shall have any Liability of any nature whatsoever hereunder or in conjunction with the Contemplated Transactions, except that (i) the provisions of

Section 3.5 (*The Stockholder Representative*), Section 6.5 (*Publicity*), Section 6.6 (*Confidentiality*), Section 6.7 (*Expenses*), this Section 8.2 , Article IX (*Indemnification; Remedies*) and Article XI (*Miscellaneous*) and the Confidentiality Agreement shall survive any such termination and abandonment, (ii) a termination of this Agreement shall not relieve a breaching party from Liability for an uncured breach of a representation, warranty, covenant, agreement, undertaking or obligation of such party contained in this Agreement and the aggrieved party shall be entitled to all remedies available hereunder, at law or in equity, and (iii) if Parent terminates pursuant to Section 8.1(d) , the Company will promptly reimburse Parent for all of Parent's costs and expenses incurred in connection with the negotiation of this Agreement and the Contemplated Transactions, including attorneys' and accountants' fees.

ARTICLE IX

INDEMNIFICATION; REMEDIES

SECTION 9.1 Survival . All of the representations and warranties of the parties contained in this Agreement or in any certificate delivered by a party pursuant to Article VIII hereof, shall survive the Closing and shall terminate and expire on December 31, 2013; provided , however , that (a) the representations set forth in Section 4.9 shall terminate and expire on the expiration of the applicable statute of limitations and (b) the Fundamental Representations shall not terminate or expire. Each of the covenants and agreements of the parties set forth in this Agreement shall survive indefinitely. If any Claims Notice (as defined below) is given in good faith in accordance with the terms of Section 9.5 within the applicable survival period provided above (as applicable, the " Cut-Off Date "), the claims specifically set forth in the Claims Notice shall survive until such time as such claim is finally resolved.

SECTION 9.2 Indemnification and Reimbursement by Common Holders .

(a) The Common Holders, following Closing (as represented by the Stockholder Representative), severally in accordance with their respective Transaction Percentages, and not jointly or jointly and severally, shall indemnify and hold harmless Parent and its officers, directors, employees, equity owners, controlling Persons and Affiliates (collectively, " Parent Indemnified Persons "), from and against any and all actual losses, Liabilities, expenses (including reasonable attorneys' fees), claims, suits, actions and damages (collectively, " Damages ") arising from or in connection with:

(i) any inaccuracy in or breach of any representation or warranty of the Company contained in this Agreement or in any certificate delivered by the Company pursuant to this Agreement;

(ii) any breach of any covenant or obligation of the Company or any Company Subsidiary contained in this Agreement or in any other agreement entered into by the Company and Parent under or pursuant to this Agreement in connection with the Contemplated Transactions (solely with respect to covenants and agreements to be made or performed by the Company or any Company Subsidiary prior to Closing); or

(iii) any amount paid by Parent or the Company with respect to Dissenting Shares in excess of the value such Person would have received in the Merger for such Dissenting Shares had such shares been converted pursuant to Section 3.3(f)(i) hereof, and all interest, costs, expenses and fees incurred by Parent or the Company, including attorneys' fees, in connection with the exercise or attempted exercise of any dissenter's rights.

For the sole purpose of determining the amount of Damages (and not for determining whether any inaccuracy in or breach of any representation or warranty has occurred), the representations and warranties of the Company shall not be deemed qualified by any references to materiality or to Material Adverse Effect.

(b) Following the Closing, the Common Holders shall, severally in accordance with their respective Transaction Percentages, and not jointly or jointly and severally, be liable for and indemnify, defend and hold each of the Parent, the Company, the Company Subsidiaries and their respective Affiliates (each, a " Tax Indemnitee ") harmless from and against any Damages attributable to: (i) (x) all Taxes (or the nonpayment thereof) of the Company and the Company Subsidiaries for all taxable periods ending on or before the Closing Date and (y) the portion of Taxes attributable to any Pre-Closing Tax Period as determined in accordance with the methodology set forth in Section 10.1(a)(ii) ; (ii) all Taxes of any member of an affiliated group of which the Company or any Company Subsidiary is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulations Section 1.1502-6 or any similar provision of state, local or foreign Tax law; and (iii) any Taxes of any Person (other than the Company or any Company Subsidiary), liability for which is imposed on the Company or any Company Subsidiary as a transferee or successor (by contract or otherwise) pursuant to a transaction or contract or other indemnification obligation that occurs or arises before the Closing; provided , however , that (A) in the case of subclauses (i) , (ii) and (iii) above, the Common Holders shall be liable only to the extent that such Taxes and Damages exceed the amount, if any, taken into account in determining the Final Working Capital or reserved for on the Final Closing Balance Sheet and (B) except with respect to breaches of the representations and warranties set forth in Section 4.9(b) and Section 4.9(r) , the Common Holders shall have no indemnification obligation to the Tax Indemnitees with respect to the amount or availability of any federal net operating losses or credits arising in any Pre-Closing Tax Period that would or could be carried forward into any Post-Closing Tax Period.

(c) Any payment made by the Escrow Agent on behalf of (or for the benefit of) the Common Holders pursuant to Section 3.4(c) or pursuant to this Section 9.2 shall constitute full satisfaction of any obligation of the Common Holders to make such payment. In the event of a conflict between the Escrow Agreement and this Agreement, the terms of this Agreement shall govern.

SECTION 9.3 Indemnification and Reimbursement by Parent . Parent shall indemnify and hold harmless the Company, the Common Holders, the Stockholder Representative and their respective officers, directors, employees, equity owners, controlling Persons and Affiliates (collectively, " Company Indemnified Persons ") (provided that , following the Closing, the "Company Indemnified Persons" shall be the Common Holders, the Stockholder Representative and their respective officers, directors, employees, equity owners, controlling Persons and Affiliates), from and against any and all actual Damages arising from or in

connection with (a) any inaccuracy in or breach of any representation or warranty of Parent contained in this Agreement or in any certificate delivered by Parent pursuant to this Agreement, and (b) any breach of any covenant or obligation of Parent and, after the Closing, the Company contained in this Agreement or in any other agreement entered into by Parent and the Company under or pursuant to this Agreement in connection with the Contemplated Transactions. For the sole purpose of determining the amount of Damages (and not for determining whether any inaccuracy in or breach of any representation or warranty has occurred), the representations and warranties of Parent shall not be deemed qualified by any references to materiality.

SECTION 9.4 Limitations on Amount of Indemnification .

(a) Notwithstanding anything in this Agreement to the contrary, no indemnification claims for Damages shall be asserted by the Company Indemnified Persons or the Parent Indemnified Persons, respectively, under Section 9.3(a) or Section 9.2(a) (other than Section 4.9(b) and Section 4.9(r)), respectively, unless (i) any individual Damage or group or series of related Damages exceeds $50,000 (such Damage or group or series of related Damages that does not exceed $50,000, the " De Minimis Damages "), and (ii) the aggregate amount of Damages that would otherwise be payable under each of Section 9.3(a) or Section 9.2(a) (other than Section 4.9(b) and Section 4.9(r)), as applicable, which shall not include for such purposes De Minimis Damages, exceeds $2,032,000 (the " Basket Amount "), whereupon the Company Indemnified Person or the Parent Indemnified Person, as the case may be, shall be entitled to receive only amounts for Damages (which shall not include for such purposes De Minimis Damages) in excess of the Basket Amount.

(b) In no event shall the aggregate amount of Damages paid on behalf of the Common Holders under Section 9.2(a) with regard to inaccuracies in or breaches of the representations and warranties of the Company contained in this Agreement, other than the representations and warranties contained in Section 4.9 and the Fundamental Representations, exceed $15,000,000.

(c) In no event shall the aggregate amount of Damages paid on behalf of the Common Holders under (i) Section 9.2(b) and (ii) Section 9.2(a) with regard to inaccuracies in or breaches of the representations and warranties contained in Section 4.9 and the Fundamental Representations, exceed the Estimated Merger Consideration.

(d) Under no circumstances shall any Company Indemnified Person or Parent Indemnified Person (each an " Indemnitee " and collectively, the " Indemnitees ") be entitled to be indemnified for (i) special or punitive damages, other than those payable to a third party, (ii) lost profits, lost revenues, or loss of business opportunity or reputation or (iii) damages that are not found to be proximately caused by the facts and circumstances causing the breach giving rise to indemnification hereunder. The party seeking indemnification under this Article IX shall use commercially reasonable efforts to mitigate any Damage that forms the basis of an indemnification claim hereunder.

(e) No party hereto shall be obligated to indemnify any other Person with respect to (i) any representation, warranty, covenant or condition specifically waived in writing by the other party on or prior to the Closing, (ii) any Damages with respect to any matter if such

matter was included in the calculation of the adjustment to the Estimated Merger Consideration (to the extent so included), (iii) any Damages for which a Claims Notice was not duly delivered prior to the applicable Cut-Off Date or (iv) the breach of any representation or warranty that was cured by a Supplement (provided, however, that Supplements shall not cure any breaches in existence on the date of this Agreement).

SECTION 9.5 Procedures for Indemnification .

(a) All claims for indemnification by either a Company Indemnified Person or Parent Indemnified Person under this Article IX shall be asserted and resolved in accordance with Section 9.5 and Section 9.6 .

(b) If a Parent Indemnified Person intends to seek indemnification pursuant to this Article IX with respect to a third-party claim, Parent Indemnified Person shall, promptly following such Parent Indemnified Person's knowledge of such claim, notify the Stockholder Representative in writing of such claim, describing such claim in reasonable detail and the amount or estimated amount of any alleged Damages relating to such claim (the " Claims Notice "); provided that the failure to provide prompt notice will relieve the indemnifying party of any liability it may have under this Article IX to the extent the defense of such claim is adversely affected by the indemnified party's failure to provide prompt notice.

(c) If a Company Indemnified Person intends to seek indemnification pursuant to this Article IX with respect to a third-party claim, the Stockholder Representative shall, promptly following the Stockholder Representative's knowledge of such claim, deliver a Claims Notice to Parent; provided that the failure to provide prompt notice will relieve the indemnifying party of any liability it may have under this Article IX to the extent the defense of such claim is adversely affected by the indemnified party's failure to provide prompt notice.

(d) The party from which any Indemnitee is seeking indemnification under this Article IX (the " Indemnitor ") shall have 30 days from the date on which the Indemnitor received the Claims Notice to notify the Indemnitee that the Indemnitor desires to assume the defense or prosecution of the third party claim and any litigation resulting therefrom with counsel of its choice. If the Indemnitor assumes the defense of such claim in accordance herewith: (i) the Indemnitee may retain separate co-counsel at its sole cost and expense and participate in the defense of such third party claim, but the Indemnitor shall control the investigation, defense and settlement thereof; (ii) the Indemnitee shall not file any papers or consent to the entry of any judgment or enter into any settlement with respect to such third party claim without the prior written consent of the Indemnitor; and (iii) the Indemnitor shall not consent to the entry of any judgment or enter into any settlement with respect to such third party claim without the prior written consent of the Indemnitee unless the judgment or settlement provides solely for the payment of money, the Indemnitor makes such payment (subject to the applicable limitations contained herein) and the Indemnitee receives an unconditional release. The parties shall act in good faith in responding to, defending against, settling or otherwise dealing with third party claims, and cooperate in any such defense and give each other reasonable access to all information relevant thereto. Whether or not the Indemnitor has assumed the defense of such third party claim, the Indemnitor will not be obligated to indemnify the Indemnitee hereunder with respect to any settlement entered into or any judgment consented to without the Indemnitor's prior written consent.

(e) If the Indemnitor does not assume the defense of such third party claim within 30 days of receipt of the Claims Notice, the Indemnitee will be entitled to assume such defense, at its sole cost and expense (or, if the Indemnitee incurs Damages with respect to the matter in question for which the Indemnitee is entitled to indemnification pursuant to this Article IX , at the expense of the Indemnitor), upon delivery of notice to such effect to the Indemnitor; provided , however , that the Indemnitor: (i) shall have the right to participate in the defense of the third party claim at its sole cost and expense; (ii) may at any time thereafter assume defense of the third party claim, in which event the Indemnitor shall bear the reasonable fees, costs and expenses of the Indemnitee's counsel incurred prior to the assumption by the Indemnitor of defense of the third party claim; and (iii) shall not be obligated to indemnify the Indemnitee hereunder for any settlement entered into or any judgment consented to without the Indemnitor's prior written consent.

(f) The Parent Indemnified Person shall, and shall cause the Company and the Company Subsidiaries to, reasonably cooperate with the Stockholder Representative in all aspects of any investigation, defense, pretrial activities, trial, compromise, settlement or discharge of any claim in respect of which a Parent Indemnified Person is seeking indemnification pursuant to this Article IX that the Stockholder Representative has elected to control, including, but not limited to, by providing the Stockholder Representative with reasonable access to books, records, employees and officers (including as witnesses) of the Company and the Company Subsidiaries.

SECTION 9.6 Procedure for Indemnification – Other Claims .

(a) A claim for indemnification for any matter not involving a third party claim may be asserted by written notice to the party from whom indemnification is sought setting forth in reasonable detail the alleged facts and circumstances relating to such claim and providing copies of any relevant documents in support of such claim. Upon receipt of such notice, the Indemnitor shall have 30 days to object to such claim for indemnification by delivery of a written notice of such objection to the Indemnitee specifying in reasonable detail the basis for such objection. Failure to timely object shall constitute a final and binding acceptance of the claim for indemnification by the Indemnitor and, subject to the provisions of Section 9.4 hereof, such claim shall be paid by the Indemnitor in accordance with Section 9.6(b) . If an objection is timely made by the Indemnitor, then the Indemnitee and the Indemnitor shall negotiate in good faith for a period of 30 days from the date (such period the " Negotiation Period ") the Indemnitee receives such objection. After the Negotiation Period, if the Indemnitee and the Indemnitor still cannot agree on the amount of the claim for indemnification, either the Indemnitee or the Indemnitor may submit the dispute for resolution pursuant to Section 11.6 .

(b) Upon determination of the amount of a claim for indemnification that is binding on both the Indemnitee and the Indemnitor, the Indemnitor shall pay the amount of such claim by wire transfer of immediately available funds, within 10 days of the date such amount is determined.

SECTION 9.7 Tax and Insurance . In calculating the amount of Damages to any Indemnitee under this Article IX , such Damages shall be reduced by (a) applying any reserves and allowances specifically related to such matter to the extent reflected on the Final Closing Balance Sheet and resulting in a reduction in the Final Merger Consideration, (b) the amount of any Tax benefits or Tax losses that the Indemnitee actually realizes as a result of the incurrence of Damages from which indemnification is sought, (c) any amounts recoverable by the Indemnitee from insurers as a result of the facts or circumstances giving rise to the Damages and (d) any amounts actually recovered by the Indemnitee from any third party as a result of the facts or circumstances giving rise to the Damages.

SECTION 9.8 Remedies Exclusive . Notwithstanding anything to the contrary herein, except for (i) remedies based on fraud, intentional misrepresentation, willful misconduct or bad faith and (ii) equitable remedies (including, but not limited to, specific performance), the remedy provisions set forth in this Article IX shall constitute the sole and exclusive remedies following the Closing for any and all breaches or alleged breaches of any of the representations, warranties, covenants or agreements of the parties under this Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by them in accordance with the terms hereof or were otherwise breached and that each party hereto shall be entitled to seek an injunction or injunctions to prevent breaches of the provisions hereof and to specific performance of the terms hereof, in addition to any other remedy at law or equity.

SECTION 9.9 Tax Treatment . Any payment by Parent to the Stockholder Representative on behalf of the Common Holders, or from the Escrow Account on behalf of the Common Holders to Parent, pursuant to this Article IX shall be treated by the parties as an adjustment to the consideration paid to or received by the parties, as the case may be for all federal, state, local and foreign Tax purposes, and the parties agree to file their Tax Returns accordingly.

ARTICLE X

TAX MATTERS

SECTION 10.1 Tax Matters.

(a) Returns and Payments .

(i) Pre-Closing Tax Periods . Stockholder Representative shall cause the Company and the Company Subsidiaries to prepare and timely file all Tax Returns of the Company and the Company Subsidiaries for any Pre-Closing Tax Period that are due after the Closing Date. Unless otherwise required by applicable Law, such Tax Returns shall be prepared in a manner consistent with the past practice of the Company and its Subsidiaries. Stockholder Representative shall permit Parent to review and comment on all income and franchise Tax Returns prior to filing and shall make such revisions to such Tax Returns as is reasonably requested by Parent that do not adversely affect the Common Holders' liability for Taxes under this Agreement.

(ii) Straddle Periods . Parent shall cause the Company and the Company Subsidiaries to prepare and timely file all Tax Returns of the Company and its Subsidiaries for Taxes (" Pre-Closing Taxes ") relating to all periods that begin before the Closing Date and end after the Closing Date (the " Straddle Period "). Unless otherwise required by applicable Law, such Tax Returns shall be prepared in a manner consistent with the past practice of the Company and its Subsidiaries. Parent shall permit the Stockholders Representative to review and comment on all income and franchise Tax Returns and any other Tax Returns if such other Tax Returns show an unpaid tax liability for which the Common Holders would be responsible under this Agreement prior to filing and shall make such revisions to such Tax Returns as is reasonably requested by the Stockholder Representative that do not adversely affect the Company's and the Company Subsidiaries' liability for taxes that are not the responsibility of the Common Holders. The Pre-Closing Taxes shall be calculated as follows: For purposes of this Section 10.1 , in the case of any Taxes that are imposed on a periodic basis and are payable for a Straddle Period, the portion of such Taxes that relates to the portion of the Straddle Period shall (i) in the case of any Taxes other than Taxes based upon or related to income or receipts, be deemed to be the amount of such Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days in the Straddle Period from the first day of the Straddle Period through and including the Closing Date, and the denominator of which is the number of days in the entire Straddle Period, and (ii) in the case of any Taxes based upon or related to income or receipts, be deemed equal to the amount that would be payable if the relevant Straddle Period ended on the Closing Date, using the "closing of the books" method of accounting. Any credits relating to a Straddle Period shall be taken into account as though the relevant Straddle Period ended on the Closing Date. Notwithstanding anything to the contrary herein, Company Expenses, any unamortized financing fees on the Credit Facility and the Option Consideration to the extent deductible under applicable Tax law shall be taken as a deductions on the Tax Returns of the Company and its Subsidiaries that are filed for the taxable period ending on the Closing Date and, in the case of any Tax Returns filed for a Straddle Period, such deductions shall be allocated to the portion of the Straddle Period ending on and including the Closing Date. For this purpose, the safe harbor of Revenue Procedure 2011-29, 2011-18 IRB 746 shall be applied in determining the deductible amount of "success-based fees."

(b) Audits . Parent shall cause the Company and the Company Subsidiaries to promptly notify the Stockholder Representative in writing upon receipt by Parent, Company the Company Subsidiaries or any of their Affiliates of notice of any pending or threatened Tax audits or assessments that may affect the Tax liabilities of the Company or the Company Subsidiaries and for which the Common Holders could be liable. The Stockholder Representative shall have the sole right to represent the interests of any of the Company or the Company Subsidiaries in any Tax matter, including any audit or administrative or judicial proceeding or the filing of any amended return, that involves a Tax liability or potential Tax liability for which the Common Holders could be liable (a " Tax Matter "), and to employ counsel of its choice at its expense. Parent shall, and Parent shall cause the Company and the Company Subsidiaries, to reasonably cooperate with Stockholder Representative and its counsel in the defense or compromise of any Tax Matter. Parent shall be entitled to participate in (but not control) any Tax Matter at its own expense. The Stockholder Representative will not settle or compromise any Tax Matter without the prior written consent of the Parent (which consent shall not be unreasonably delayed, conditioned or withheld) if the settlement or compromise would increase the Taxes of, or otherwise adversely affect, the Parent, Company or any Company Subsidiary in a Post-Closing Tax Period. This Section 10.1(b) shall control in the event of a conflict with any other sections of this Agreement.

(c) Refunds . All refunds or credits of Taxes (including any interest thereon) received by or credited to any of the Company or the Company Subsidiaries attributable to (i) periods ending on or prior to the Closing Date or to such portions of Straddle Periods ending on the Closing Date (collectively " Stockholders' Refunds ") shall be for the benefit of the Common Holders, except to the extent such amounts are reflected as an asset on the Final Closing Balance Sheet and the Final Working Capital, and Parent shall, and Parent shall cause the Company and the Company Subsidiaries to, use their best efforts to obtain any Stockholders' Refunds and shall pay over to Stockholders' Representative any Stockholders' Refunds immediately upon receipt thereof.

(d) Cooperation . After the Closing Date, the Stockholder Representative and Parent shall, and Parent shall cause the Company and each Company Subsidiary to, (i) make available to the other, as reasonably requested, and to any taxing authority all information, records or documents relating to Tax liabilities or potential Tax liabilities of the Company and Company Subsidiaries for all periods prior to or including the Closing Date and shall preserve all such information, records and documents (the " Records ") until the expiration of any applicable statute of limitations for assessment or refund of Taxes or extensions thereof; (ii) abide by all record retention agreements entered into with any taxing authority; and (iii) to give the other party reasonable written notice prior to transferring, destroying or discharging any Records. After the Closing Date, Stockholders and Parent shall, and Parent shall cause the Company and each Company Subsidiary to, cooperate, as and to the extent reasonably requested by the other, in connection with the filing of Tax Returns pursuant to this Section 10.1 and any audit, litigation, appeal, hearing, or other proceeding with respect to Taxes.

(e) Amendments of Tax Returns . Except as otherwise required under applicable Law, neither Parent, any Affiliate of Parent, the Company nor its Subsidiaries shall amend any Tax Return of the Company or its Subsidiaries with respect to a Pre-Closing Tax Period or Straddle Period.

SECTION 10.2 Transfer Taxes . All stamp, transfer, documentary, sales and use, value added, registration and other such Taxes and fees (including any penalties and interest and excluding for the avoidance of doubt income and withholding Taxes) incurred in connection with this Agreement or the Contemplated Transactions (collectively, the " Transfer Taxes ") shall be paid by Parent, and Parent shall at its own expense, procure any stock transfer stamps required by, and properly file on a timely basis all necessary Tax Returns and other documentation with respect to, any of the Transfer Taxes.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1 Assignments; Successors; No Third Party Rights . No party may assign any of its rights, or delegate any of its responsibilities, under this Agreement (including by merger or other operation of Law) without the prior written consent of the other parties hereto,

and any purported assignment or delegation without such consent shall be void. Subject to the foregoing, this Agreement and all of the provisions hereof shall apply to, be binding upon, and inure to the benefit of the parties hereto and their successors and permitted assigns and the parties indemnified pursuant to Article IX and Article X . Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the parties hereto any rights or remedies of any nature whatsoever under or by reason of this Agreement or any provision of this Agreement, other than any Person entitled to indemnity under Article IX and Article X and those Covered Parties pursuant to Section 6.9 .

SECTION 11.2 Entire Agreement . This Agreement, including the Company Disclosure Schedule and Exhibits hereto, the Escrow Agreement and the other agreements and written understandings referred to herein or otherwise entered into by the parties hereto on the date hereof, and the Confidentiality Agreement, constitute the entire agreement and understanding of the parties with respect to the subject matter hereof and supersede all other prior covenants, agreements, undertakings, obligations, promises, arrangements, communications, representations and warranties, whether oral or written, by any party hereto or by any director or Specified Representative of any party hereto, with respect to such subject matter.

SECTION 11.3 Amendment or Modification . This Agreement may be amended or modified only by written instrument signed by all of the parties hereto.

SECTION 11.4 Notices . All notices, requests, instructions, claims, demands, consents and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given on the date delivered by hand or by courier service such as Federal Express, or by other messenger (or, if delivery is refused, upon presentment) or upon electronic confirmation of a facsimile transmission, or upon delivery by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses:

(a) If to Parent or, after the Closing, the Company:

c/o TriNet Group, Inc.
1100 San Leandro Blvd.
Suite 400
San Leandro, CA 94577
Facsimile: (510) 315-3111
Attention: James Franzone

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

c/o TriNet Group, Inc.
1100 San Leandro Blvd.
Suite 400
San Leandro, CA 94577
Facsimile: (510) 315-3111
Attention: Greg Hammond

and

Cooley LLP
101 California Street
5th Floor
San Francisco, CA 94111
Facsimile: (415) 693-2222
Attention: Jodie M. Bourdet

(b) If to Company, prior to the Closing:

Strategic Outsourcing, Inc.
3023 HSBC Way
Suite 100
Fort Mill, SC 29707
Facsimile: (704) 523-2158
Attention: Carl W. Guidice, Jr.

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

Clarion Capital Partners, LLC
110 E. 59th Street
Suite 2400
New York, NY 10022
Facsimile: (212) 371-7597
Attention: Eric D. Kogan

and

Duane Morris LLP
30 S. 17th Street
Philadelphia, PA 19103
Facsimile: (215) 979-1020
Attention: David C. Toner

(c) If to the Common Holders or the Stockholder Representative, after the Closing:

SOI Stockholder Representative LLC
c/o Clarion Capital Partners, LLC
110 E. 59th Street
Suite 2400
New York, NY 10022
Facsimile: (212) 371-7597
Attention: Eric D. Kogan

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

Duane Morris LLP
30 S. 17th Street
Philadelphia, PA 19103
Facsimile: (215) 979-1020
Attention: David C. Toner

or to such other persons or addresses as the person to whom notice is given may have previously furnished to the other in writing in the manner set forth above (provided that notice of any change of address shall be effective only upon receipt thereof).

SECTION 11.5 Governing Law . THIS AGREEMENT AND ANY DISPUTES ARISING HEREUNDER WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE.

SECTION 11.6 Consent To Jurisdiction; Waiver Of Jury Trial .

(a) Each of the parties hereto (i) consents to submit itself exclusively to the personal jurisdiction of any federal court located in the State of Delaware or any Delaware state court, in either case, located in Delaware, in the event any dispute arises out of this Agreement or any of the Contemplated Transactions, (ii) agrees that it will not attempt to deny or defeat the jurisdiction of such courts by motion or other request for leave from any such court, (iii) waives any claim that such proceedings have been brought in an inconvenient forum, and (iv) agrees that it will not bring any action, claim or other proceeding relating to this Agreement in any court or other tribunal other than a federal or state court sitting in the State of Delaware.

(b) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE CONTEMPLATED TRANSACTIONS. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (iii) IT MAKES SUCH WAIVER VOLUNTARILY, AND (iv) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.6 .

SECTION 11.7 Severability . In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect in any jurisdiction, such provision or provisions shall be ineffective only to the extent of such invalidity, illegality or unenforceability in such jurisdiction, without invalidating the remainder of such provision or provisions or the remaining provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions in such jurisdiction had never been contained herein, unless such a construction would be unreasonable.

SECTION 11.8 Waiver of Conditions .

(a) To the extent permitted by applicable Law: (i) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the party to be charged with such waiver or renunciation; (ii) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (iii) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

(b) Subject to Section 9.8 , the rights and remedies of the parties hereto are cumulative and not alternative. Except where a specific period for action or inaction is provided herein, neither the failure nor any delay on the part of any party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any party of any such right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The failure of a party to exercise any right conferred herein within the time required shall cause such right to terminate with respect to the transaction or circumstances giving rise to such right, but not to any such right arising as a result of any other transactions or circumstances.

SECTION 11.9 Descriptive Headings . The descriptive headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning, construction or interpretation of, this Agreement.

SECTION 11.10 Counterparts . This Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

SECTION 11.11 Construction . For the purposes of this Agreement, (i) the term " includes " and the word " including " shall be deemed to be followed by the words ", without limitation,"; (ii) definitions contained in this Agreement or in Exhibit A apply to singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms; (iii) 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; (iv) the terms " hereof ," " herein " and " herewith " and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and the references " Article ," " Section ," " subclause " and " Exhibit "

are to the Articles, Sections, subclauses and Exhibits to this Agreement unless otherwise specified; (v) the word " or " shall not be exclusive; (vi) references to a Person in a particular capacity or capacities shall exclude such Person in any other capacity; and (vii) references to any contract or agreement (including this Agreement) means such contract or agreement as amended, supplemented or modified from time to time.

SECTION 11.12 Release . Except in the case of fraud, breach of fiduciary duty, willful misconduct or self-dealing and as provided in Article IX , the Parent agrees, for itself and on behalf of each of its Subsidiaries, effective as of the Effective Time, that none of the current or former officers and directors (solely in such capacity as officers and directors and not in their capacity as Common Holders) of (i) the Common Holders, (ii) the Company or (iii) any Company Subsidiary, as of or prior to the Closing Date, who execute and deliver, as of the Closing, a release pursuant to this Section 11.12 (in such capacity and who have executed and delivered such release, the " Officers and Directors ") shall have any liability or responsibility to the Parent or the Company or any Company Subsidiary for (and the Parent, for itself and on behalf of each of its Subsidiaries, effective as of the Effective Time, hereby unconditionally releases such Officers and Directors from) any obligations or liability (a) arising out of, or relating to, the organization, management, operation of the businesses of the Company or any Company Subsidiary relating to any matter, occurrence, action or activity on or prior to the Effective Time or (b) relating to this Agreement and the transactions contemplated hereby. Except in the case of fraud or willful misconduct and except as otherwise expressly provided in this Agreement (including Section 6.9), effective as of the Effective Time, each of the Officers and Directors hereby unconditionally release the Company and each Company Subsidiary from any obligations or liability (x) arising out of, or relating to, the organization, management, operation of the businesses of the Company or any Company Subsidiary relating to any matter, occurrence, action or activity on or prior to the Effective Time or (y) relating to this Agreement and the transactions contemplated hereby. To the extent applicable, each party to the release set forth in this Section 11.12 does expressly waive all of the benefits and rights granted to it, him or her pursuant to California Civil Code section 1542, which reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Each such party hereby certifies that it has read all of the release contained in this Section 11.12 , including the quoted California Civil Code section, and that each such party fully understands all of the same. Each party hereby expressly agrees that the release contained in this Section 11.12 shall extend and apply to all unknown, unsuspected and unanticipated injuries and damages, as well as those that are now disclosed.

SECTION 11.13 Interpretation . Any statute, regulation, or other law defined or referred to herein (or in any agreement or instrument that is referred to herein) means such statute, regulation or other law as, from time to time, may be amended, modified or supplemented, including (in the case of statutes) by succession of comparable successor statutes. References to a Person also refer to its predecessors and permitted successors and assigns.

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[*remainder of page intentionally left blank*]

Table of Contents

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers duly authorized as of the date first written above.

TRINET GROUP, INC.

By: /s/ William Porter
Name: William Porter
Title: Chief Financial Officer

CHAMP ACQUISITION CORPORATION

By: /s/ William Porter
Name: William Porter
Title: Chief Financial Officer

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers duly authorized as of the date first written above.

SOI HOLDINGS, INC.

By: /s/ Carl W. Guidice
Name: Carl W. Guidice
Title: CEO

SOI STOCKHOLDER REPRESENTATIVE, LLC

By: /s/ Eric Kogan
Name: Eric Kogan
Title: President and Manager of its Sole Member

[*Signature Page to Agreement and Plan of Merger*]

EXHIBIT A

DEFINITIONS

" Actions " is defined in Section 4.8(a) .

" Accounting Methodology " means the accounting principles, methods and practices utilized in preparing the Audited Financial Statements, applied on a consistent basis.

" Adjustments Auditor " is defined in Section 3.4(b) .

" Affiliate " means any other Person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with such Person. For purposes of this definition, "control" (and its derivatives) shall mean 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 equity, voting or other interests, as trustee or executor, by contract or otherwise.

" Agreement " is defined in the Preamble .

" Antitrust Division " is defined in Section 4.4 .

" Assigned Employees " is defined in Section 4.11(a) .

" Assumed Indebtedness " means all Indebtedness for capitalized lease obligations (as determined under GAAP) of the Company and each Company Subsidiary existing as of the Closing.

" Audited Balance Sheet " is defined in Section 4.6(a) .

" Audited Financial Statements " is defined in Section 4.6(a) .

" Balance Sheet Rules " means, collectively, the Accounting Methodology and the rules set forth on Exhibit C ; provided that in the event of any conflict between the Accounting Methodology and the rules set forth on Exhibit C , the rules set forth on Exhibit C shall apply.

" Bank " means Wells Fargo Bank, National Association.

" Basket Amount " is defined in Section 9.4(a) .

" Business " is defined in the Background .

" Business Day " means any day of the year on which national banking institutions in New York, New York and San Francisco, California are open to the public for conducting business and are not required or authorized by Law to close.

" Bylaws " means the Bylaws of the Company as amended to date.

" Certificate Effective Time " is defined in Section 7.2 .

" Certificate of Merger " is defined in Section 2.3 .

" Charter " means the Certificate of Incorporation of the Company as amended to date.

" Claims Notice " is defined in Section 9.5(b) .

" Closing " is defined in Section 2.2 .

" Closing Date " is defined in Section 2.2 .

" Closing Working Capital " means the Working Capital as of the close of business on the day immediately preceding the Closing Date.

" Code " means the Internal Revenue Code of 1986, as amended and the rules and regulations promulgated thereunder.

" Common Holders " means all of the holders of Common Shares or Common Stock Equivalents.

" Common Shares " is defined in Section 3.3(f)(i) .

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

" Common Stock Equivalent Holders " means the holders of Common Stock Equivalents as of immediately prior to the Closing.

" Common Stock Equivalent Consideration " is defined in Section 3.3(f)(ii) .

" Common Stock Equivalents " means any security or obligation which is by its terms convertible into or exchangeable or exercisable for shares of Common Stock, including any option, warrant or other subscription or purchase right with respect to Common Stock or any Common Stock Equivalent.

" Company " is defined in the Preamble .

" Company Board " is defined in the Background .

" Company Certificate " is defined in Section 7.2 .

" Company Disclosure Schedule " is defined in Article IV .

" Company Expenses " means, to the extent not paid prior to the Closing, all fees and expenses of the Company or a Company Subsidiary incurred in connection with the Contemplated Transactions, including fees and expenses owed to Duane Morris, Clarion Capital Partners, LLC or any of its Affiliates or Lazard Middle Market LLC, and all other fees and expenses of the Company or a Company Subsidiary owed to Clarion Capital Partners, LLC or any of its Affiliates. In addition, "Company Expenses" shall include the costs, to the extent not paid prior to Closing, of the insurance policy referenced in Section 6.9 .

" Company Indemnified Persons " is defined in Section 9.3 .

" Company Intellectual Property " means (a) all Intellectual Property used in the operation of the Business as presently conducted; and (b) all other Intellectual Property in which the Company or any of its Subsidiaries has an ownership interest or an exclusive license.

" Company-Owned Intellectual Property " means all Company Intellectual Property, excluding: (a) Intellectual Property licensed to the Company or its Subsidiaries pursuant to written agreements identified in Section 4.18(c) of the Company Disclosure Schedule, (b) Off-the-Shelf Software, and (c) Intellectual Property that is in the public domain or to which the Company or its Subsidiaries otherwise has legal access through principles of patent exhaustion or first sale rights.

" Company Policies " is defined in Section 4.16(a) .

" Company Securities " means collectively, all of the Company's issued and outstanding shares of Common Stock and Common Stock Equivalents.

" Company Subsidiary " is defined in Section 4.3 .

" Confidentiality Agreement " is defined in Section 6.6 .

" Consents " is defined in Section 4.4 .

" Contemplated Transactions " means all of the transactions contemplated by this Agreement.

" Contingent Workers " is defined in Section 4.11(c) .

" Continuing Employees " is defined in Section 6.8 .

" Contract " is defined in Section 4.5(b) .

" Copyrights " shall mean all copyrights and all mask work, database and design rights, whether or not registered or published, all registrations and recordations thereof and all applications in connection therewith, along with all reversions, extensions and renewals thereof.

" Covered Parties " is defined in Section 6.9(a) .

" Credit Facility " means that certain Credit Agreement, dated June 16, 2011, by and among SOI, the Company, the Company Subsidiaries, the Bank and the other lenders that are parties thereto, as amended, supplemented or otherwise modified from time to time.

" Credit Facility Payoff Amount " means the amount, if any, of outstanding principal and accrued but unpaid interest, fees and other amounts payable under the Credit Facility (including any prepayment penalties, if any) as of the close of business on the date immediately preceding the Closing Date.

" Cut-Off Date " is defined in Section 9.1 .

" Damages " is defined in Section 9.2 .

" De Minimis Damages " is defined in Section 9.4(a) .

" Determination Date " is defined in Section 3.4(b) .

" Dissenting Shares " means any Common Shares issued and outstanding immediately prior to the Effective Time with respect to which appraisal rights to obtain payment for such shares in accordance with Section 262 of the DGCL have been duly and properly exercised.

" DGCL " is defined in Section 2.1 .

" Duane Morris " is defined in Section 2.2 .

" Effective Time " is defined in Section 2.3 .

" Employees " is defined in Section 4.11(a) .

" Environmental Law " means all Laws regulating, relating to or imposing Liability or standards of conduct concerning protection of human health or the environment.

" Escrow Account " is defined in Section 3.3(a) .

" Escrow Agent " means U.S. Bank, N.A.

" Escrow Agreement " means the Deposit Escrow Agreement, dated the Closing Date, by and among by Parent, the Company, the Stockholder Representative and the Escrow Agent in substantially the form of the Form of Deposit Escrow Agreement attached hereto as Exhibit D , with such additions, deletions or changes therein as are required or requested by the Escrow Agent and approved by Parent, the Company and the Stockholder Representative (the execution and delivery thereof by such party to be conclusive evidence of its or his approval), which approval shall not be unreasonably withheld.

" Escrow Amount " means $15,000,000.

" Estimated Assumed Indebtedness Amount " is defined in Section 3.2 .

" Estimated Merger Consideration " is defined in Section 3.1 .

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended.

" Exercise Price " means, with respect to any Common Stock Equivalent, the applicable exercise price per each share of Common Stock payable to the Company by the holder of such Common Stock Equivalent upon the exercise of such Common Stock Equivalent.

" Filings " is defined in Section 4.4 .

" Final Assumed Indebtedness " is defined in Section 3.4(c) .

" Final Closing Balance Sheet " is defined in Section 3.4(a) .

" Final Merger Consideration " is defined in Section 3.4(c) .

" Final Working Capital " is defined in Section 3.4(c) .

" Financial Statements " is defined in Section 4.6(a) .

" FTC " is defined in Section 4.4 .

" Fundamental Closing Conditions " is defined in Section 7.2 .

" Fundamental Representations " means the representations and warranties of the Company contained in Section 4.1(a) , Section 4.1(b) , Section 4.2 and Section 4.3 of this Agreement.

" GAAP " means, as of any date, generally accepted accounting principles in the United States as in effect on such date as consistently applied by the Company.

" Governmental Authorization " shall mean any Order, Consent, waiver, permit or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Entity or pursuant to any Law.

" Governmental Entity " means any United States or foreign, national, multinational, federal, state, provincial or local governmental, regulatory or administrative authority, agency or commission or any court or self-regulatory organization, tribunal or judicial or arbitral body and any instrumentality of any of the foregoing.

" Hazardous Materials " means any hazardous materials, hazardous wastes, hazardous constituents, hazardous or toxic substances or petroleum products (including gasoline, crude oil or any fraction thereof), defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea formaldehyde insulation.

" HIPAA " is defined in Section 4.19 .

" HSR Act " is defined in Section 4.4 .

" HSR Filing " is defined in Section 4.4 .

" In-the-Money CSEs " means, as of each date of determination, all Common Stock Equivalents that were outstanding immediately prior to the Effective Time (before giving effect to any cancellation thereof pursuant to Section 3.3(f)(ii) hereof) with an Exercise Price less than an amount equal to the quotient of (i) the sum of (A) the Estimated Merger Consideration, as such amount may have been recalculated to become the Final Merger Consideration pursuant to Section 3.4(c) hereof, plus (B) that portion of the Escrow Amount and the Stockholder Representative Fund theretofore distributed to the Common Holders, plus (C) that portion of the Escrow Amount or the Stockholder Representative Fund then being distributed to the Common Holders plus (D) the aggregate Exercise Price of all vested and unvested Common Stock

Equivalents that were outstanding immediately prior to the Effective Time (before giving effect to any cancellation thereof pursuant to Section 3.3(f)(ii) hereof) divided by (ii) the sum of (A) the aggregate number of Common Shares that were issued and outstanding immediately prior to the Effective Time plus (B) the aggregate number of Common Shares underlying all vested and unvested Common Stock Equivalents that were outstanding immediately prior to the Effective Time (before giving effect to any cancellation thereof pursuant to Section 3.3(f)(ii) hereof).

" Indemnitee " is defined in Section 9.5(d) .

" Indemnitor " is defined in Section 9.5(d) .

" Indebtedness " means, of any Person, without duplication, (i) indebtedness for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money, (ii) amounts owing as deferred purchase price for property or services, including all seller notes and "earn-out" payments, (iii) indebtedness evidenced by any note, bond, debenture, mortgage or other debt instrument or debt security, (iv) payment obligations due and owing under any interest rate, currency or other hedging agreement, (v) obligations under any performance bond or letter of credit, but only to the extent drawn or called prior to the Closing Date, (vi) all capitalized lease obligations as determined under GAAP and (vii) guarantees with respect to any indebtedness of any other Person of a type described in subclauses (i) through (vi) above. For the avoidance of doubt, Indebtedness shall not include (A) any obligations under any performance bond or letter of credit to the extent undrawn or uncalled, (B) any Indebtedness included in the calculation of Total Current Liabilities in the determination of Closing Working Capital, (B) any intercompany Indebtedness of the Company and the Company Subsidiaries, (C) any Indebtedness incurred by Parent or any of its Affiliates (and subsequently assumed by the Company or any Company Subsidiary) on the Closing Date, (D) any endorsement of negotiable instruments for collection in the ordinary course of business, (E) any deferred revenue or (F) any liabilities under any agreement between the Company or any Company Subsidiary, on the one hand, and Parent or any of its Affiliates, on the other hand.

" Intellectual Property " means all (a) Patents, (b) Marks, (c) Internet domain names, (d) Copyrights, (e) Software and (f) trade secrets, customer lists, know-how and confidential business information.

" Interim Balance Sheet " is defined in Section 4.6(a) .

" IP Licenses " is defined in Section 4.18(c) .

" Knowledge of the Company " or " Company's Knowledge " means the actual knowledge, after reasonable investigation, of at least one of Carl W. Guidice, Jr., Anthony M. Danon, Kerim Fidel, Gil Aleman, Michael W. Willson or Raphael Reznek; provided that such reasonable investigation shall in no event require any of the foregoing persons to communicate with or contact any Person that is not an employee or director of the Company or any of its Subsidiaries.

" Law " shall mean any federal, state or local law, rule, administrative ruling, order, ordinance, code, regulation or statute, including the Code, any Environmental Law, ERISA, the Securities Exchange Act of 1934, as amended and the Securities Act of 1933, as amended.

" Leased Real Property " is defined in Section 4.13(a) .

" Liability " shall mean any debt, liability, commitment or obligation of any kind, character or nature whatsoever, whether known or unknown, choate or inchoate, secured or unsecured, accrued, fixed, absolute, contingent or otherwise, and whether due or to become due.

" Liens " shall mean any charges, claims, community property interests, conditions, mortgages, deeds of trust, deeds to secure debt, security interests, hypothecations, conditional sale or other title retention agreements, covenants, encumbrances, equitable interests, title defects, encroachments and other survey defects, exceptions, liens, options, pledges, reservations, rights of first refusal, security interests, statutory liens, variances, warrants or restrictions of any kind, including any restrictions on use, voting, transfer, alienation, receipt of income or exercise of any other attribute of ownership.

" Management Agreements " means the Management Services Agreement, dated July 29, 2005, by and between the Company and Clarion Operating, LLC and the Financial Advisory Agreement, dated July 29, 2005, by and between the Company and Clarion Operating, LLC.

" Marks " shall mean all trademarks, service marks, trade names, service names, brand names, trade dress rights, logos, corporate names, trade styles, logos and other source or business identifiers and general intangibles of a like nature, together with the goodwill associated with any of the foregoing, along with all applications, registrations, renewals and extensions thereof.

" Material Adverse Effect " means a material adverse effect on the business, results of operations, assets, liabilities or operations of the Company and the Company Subsidiaries, taken as a whole; provided , however , that "Material Adverse Effect" shall not include the impact on such business, results of operations or assets arising out of or attributable to (i) conditions or effects that generally affect the industries in which the Company and the Company Subsidiaries operate (including legal and regulatory changes), provided that such conditions or effects do not disproportionately and adversely affect the Company and its Subsidiaries, (ii) general economic conditions affecting the United States, provided that such conditions or effects do not disproportionately and adversely affect the Company and its Subsidiaries, (iii) effects resulting from changes affecting capital market conditions in the United States, provided that such conditions or effects do not disproportionately and adversely affect the Company and its Subsidiaries (including in each of subclauses (i) , (ii) and (iii) above, any effects or conditions resulting from an outbreak or escalation of hostilities, acts of terrorism, political instability or other national or international calamity, crisis or emergency, or any governmental or other response to any of the foregoing, in each case whether or not involving the United States, other than those causing physical damage to the assets of the Company and its Subsidiaries), (iv) effects arising from changes in laws, rules, regulations or accounting principles, or any court's interpretation of any laws, provided that such conditions or effects do not disproportionately and adversely affect the Company and its Subsidiaries, (v) effects relating to or arising from the announcement of the execution of this Agreement or the Contemplated Transactions or the identity of the Parent or its Affiliates, (vi) effects resulting from compliance with the terms and conditions of this Agreement by the Sellers, the Company or any of the Company Subsidiaries or consented to in writing by the Parent or (vii) any breach of this Agreement by the Parent. For the avoidance of doubt, a Material Adverse Effect shall be

measured only against past performance of the Company and the Company Subsidiaries, taken as a whole, and not against any forward-looking statements, financial projections or forecasts of the Company or the Company Subsidiaries.

" Material Contract " is defined in Section 4.14(a).

" Merger " is defined in the Background .

" Merger Sub " is defined in the Preamble .

" Multiemployer Plan " means any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA.

" Multiple Employer Plan " means any Plan that has two or more direct or indirect contributing sponsors at least two of whom are not under common control, within the meaning of Section 4063 of ERISA.

" Negotiation Period " is defined in Section 9.6(a) .

" Off-the-Shelf Software " means off-the-shelf, non-customized, personal computer Software as such term is commonly understood, that (a) is commercially available on a retail basis for less than $500 per seat, (b) was acquired by the Company and its Subsidiaries for less than $100,000, taking into account all seats (or other usage metrics) licensed by the Company and its Subsidiaries, and (c) is used solely on the desktop personal computers of the Company or a Subsidiary.

" Officers and Directors " is defined in Section 11.12 .

" Open Source License " means any "free software" license, "software libre" license, "public" license or open-source software license, including the GNU General Public License, the GNU Lesser General Public License, the Mozilla Public License, the Apache license, the MIT license, the BSD and any BSD-like license, and any other license that meets the "Open Source Definition" promulgated by the Open Source Initiative.

" Open Source Software " means any software code that is subject to the terms and conditions of an Open Source License.

" Option Consideration " means the portion of the Common Stock Equivalent Consideration payable at Closing in respect of Options.

" Options " means options to purchase Common Stock of the Company granted to employees, consultants and directors of the Company and its Subsidiaries.

" Order " is defined in Section 4.5(c) .

" Ordinary Course of Business " means any action taken by a Person if such action:

(a) is consistent in nature, scope and magnitude with the past practices of such Person and is taken in the ordinary course of the normal, day-to-day operations of such Person; and

(b) does not require authorization by the board of directors or shareholders of such Person (or by any Person or group of Persons exercising similar authority).

" Parent " is defined in the Preamble .

" Parent Indemnified Persons " is defined in Section 9.2 .

" Parent's Auditor " is defined in Section 3.4(a) .

" Patents " shall mean all issued patents and applications therefor and all patentable inventions, including all continuations, divisionals, and continuations-in-part thereof and patents issuing thereon, along with all reissues, reexaminations and extensions thereof.

" Per Share Price " is defined in Section 3.3(g) .

" Person " shall mean any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, Governmental Entity, joint venture, estate, trust, association, organization or other entity of any kind or nature.

" Permitted Liens " shall mean (a) Liens for Taxes, assessments, governmental charges or claims the payment of which is not required at the time in question, (b) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other Liens imposed by Law incurred in the ordinary course of business, (c) Liens incurred or deposits made in the ordinary course of business in connection with obligations not due or delinquent with respect to workers' compensation insurance, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return of money bonds and other similar obligations, (d) zoning restrictions, and (e) easements, licenses, reservations, restrictions on the use of real property or minor irregularities incident thereto (and, with respect to leasehold interests, Liens and other encumbrances that are incurred, created, assumed or permitted to exist on or with respect to the leased property and arise by, through or under or are asserted by a landlord or owner of the leased property, with or without consent of the lessee), in each case in this subclause (e) that do not impair, in any material respect, the use of the affected leased real property by the Company or its Subsidiaries.

" Plan " is defined in Section 4.10(a) .

" Post-Closing Tax Period " means any taxable year or period beginning after the Closing Date and the portion beginning after the Closing Date for any Straddle Period.

" Pre-Closing Net Operating Loss Carryovers " means the amount of federal net operating loss carryovers of the Company under Section 172 of the Code as of the end of the Closing Date determined as if the taxable year or period of the Company ended as of the end of the Closing Date applying the methodology for allocating income, expense and deductions set forth in Section 10.1(a)(ii) .

" Pre-Closing Taxes " is defined in Section 10.1(a) .

" Pre-Closing Tax Period " shall mean all taxable years or other taxable periods (or portions thereof) that end on or before the Closing Date.

" Preferred Stock " means the shares of Series A Preferred Stock, par value $0.01 per share, of the Company.

" Preliminary Closing Balance Sheet " is defined in Section 3.2 .

" Privacy and Security Rules " is defined in Section 4.19 .

" PBGC " is defined in Section 4.10(d) .

" Qualified Plan " is defined in Section 4.10(c) .

" Real Property Leases " is defined in Section 4.13(a) .

" Records " is defined in Section 10.1(d) .

" Related Party " is defined in Section 4.21 .

" Report " is defined in Section 4.4 .

" Representative Expenses " is defined in Section 3.5(d) .

" Resolution Period " is defined in Section 3.4(b) .

" Scheduled Contracts " is defined in Section 4.14(c) .

" Sellers " means the holders of Common Stock as of the Closing.

" Share Consideration " is defined in Section 3.3(f)(i) .

" Software " means (a) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and (d) all documentation including user manuals and other training documentation related to any of the foregoing.

" SOI " is defined in the Background .

" Stockholders' Refund " is defined in Section 10.1(c) .

" Specified Representatives " is defined in Section 6.2 .

" Stockholder Representative " is defined in the Preamble .

" Stockholder Representative Fund " means the amount of $1,000,000, to be used by the Stockholder Representative to cover the costs and expenses of the Sellers following the Closing.

" Straddle Period " is defined in Section 10.1(a) .

" Subsidiary " means any entity of which a Person, directly or indirectly (a) owns or controls, directly or indirectly, 50% or more of the outstanding equity securities or other ownership or equity interests therein, (b) serves as a general partner or managing member, or (c) otherwise has the ability to elect or appoint directors or managers, or otherwise direct or cause the direction of the management and policies thereof.

" Supplement " is defined in Section 6.12 .

" Surviving Corporation " is defined in Section 2.1 .

" SUTA " means State Unemployment Insurance Tax.

" Target Working Capital Amount " means a negative $10,000,000 (i.e., the sum of the Total Current Liabilities is greater than the sum of the Total Current Assets by the amount of $10,000,000).

" Tax " means any Federal, state, local, provincial or foreign income, gross receipts, license, severance, occupation, capital gains, premium, environmental, customs, duties, profits, disability, alternative or add-on minimum, estimated, withholding, payroll, employment, unemployment, insurance, utility, severance, social security, excise, production, sales, use, occupancy, franchise, real property, personal property, business and occupation, mercantile, windfall profits, capital stock, stamp, transfer, workmen's compensation or other charge imposed by a taxing authority, including any interest, fines, penalties or additions to tax.

" Tax Matter " is defined in Section 10.1(b) .

" Tax Return " means any return, report, notice, form, declaration, claim for refund, estimate, election, or information statement or other document relating to any Tax, including any schedule or attachment thereto, and any amendment thereof.

" Third Party Consents " is defined in Section 6.3(a) .

" Total Current Assets " means the sum, as of a specified date, of the consolidated current assets of the Company and the Company Subsidiaries, calculated in accordance with the Balance Sheet Rules.

" Total Current Liabilities " means the sum, as of a specified date, of the consolidated current liabilities of the Company and the Company Subsidiaries, calculated in accordance with the Balance Sheet Rules.

" Transaction Percentage " means, as of any date and with respect to each Seller and Common Stock Equivalent Holder, the quotient, expressed as a percentage, of (a) the aggregate Share Consideration and/or Common Stock Equivalent Consideration received by such Seller or Common Stock Equivalent Holder through and including the date on which such Transaction Percentage is being calculated divided by (b) the aggregate Share Consideration and Common Stock Equivalent Consideration received by all Sellers and Common Stock Equivalent Holders through and including the date on which such Transaction Percentage is being calculated.

" Transactions Rule " is defined in Section 4.19 .

" Transfer Taxes " is defined in Section 10.2 .

" Withdrawal Liability " means Liability to a Multiemployer Plan or a Multiple Employer Plan as a result of a complete or partial withdrawal, as those terms are defined in Part I of Subtitle E of Title IV of ERISA, from such Multiemployer Plan or Multiple Employer Plan, as applicable.

" Working Capital " means, at any date, the amount equal to the Total Current Assets minus the Total Current Liabilities as of such date and calculated in accordance with the Balance Sheet Rules.

" Working Capital Estimate " is defined in Section 3.2 .

" Working Capital Overage " means the amount, if any, by which the Working Capital Estimate is greater than the Target Working Capital Amount.

" Working Capital Underage " means the amount, if any, by which the Target Working Capital Amount is greater than the Working Capital Estimate.

* * * * *

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EXHIBIT B

CERTIFICATE OF MERGER

[*Attached*]

EXHIBIT C

BALANCE SHEET RULES

1. Except as otherwise set forth in this Exhibit C , the Total Current Assets, the Total Current Liabilities and the Working Capital shall be calculated in accordance with GAAP.
2. All accruals shall be computed as if the Closing Date was the Company's normal year-end date.
3. No amounts shall be included in the determination of Total Current Assets or Total Current Liabilities with respect to the Credit Facility or any other Indebtedness or Company Expenses.
4. Changes to Current Assets or Current Liabilities effected by the Company or the Parent after the Closing shall be disregarded.

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EXHIBIT D

FORM OF DEPOSIT ESCROW AGREEMENT

[*Attached*]

Exhibit 3.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION
OF
TRINET GROUP, INC.

Burton Goldfield and Gregory Hammond hereby certify that:

ONE: They are the duly elected and acting Chief Executive Officer and Secretary, respectively, of **TRINET GROUP, INC.,** a Delaware corporation (the "***Company***" or the "***Corporation***").

TWO: The original Certificate of Incorporation was filed with the Secretary of State of Delaware on January 26, 2000 under the name of TriNet Merger Corporation.

THREE: The Certificate of Incorporation of the Company is hereby amended and restated to read in its entirety as follows:

I.

The name of this corporation is TriNet Group, Inc.

II.

The address of the registered office of the Corporation in the State of Delaware is 3500 South Dupont Highway, Dover, County of Kent, and the name of the registered agent of the Corporation in the State of Delaware at such address is the AmeriSearch Corporate Services Inc.

III.

The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware (or any successor thereto, the "***DGCL***").

IV.

A. This Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is 25,516,427 shares, 16,000,000 shares of which shall be Common Stock (the "***Common Stock***") and 9,516,427 shares of which shall be Preferred Stock (the "***Preferred Stock***"). The Common Stock shall have a par value of $0.0001 per share and the Preferred Stock shall have a par value of $0.0001 per share. The number of shares of Common Stock may be increased or decreased (but not below the number of shares of Common Stock then outstanding, issuable upon the conversion of any convertible securities of the Corporation then outstanding and issuable upon the exercise of all outstanding options and warrants) by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of Common Stock and Preferred Stock, voting together as a single class, irrespective of the provisions of Section 242(b)(2) of the DGCL, and no separate vote of the holders of the Common Stock voting separately as a class shall be required therefor.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized, within the limitations and restrictions stated in this Amended and Restated Certificate of Incorporation, to fix or alter the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), the redemption price or prices, the liquidation preferences of any wholly unissued series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or any of them; and to increase or decrease the number of shares of any series subsequent to the issue of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

C. 5,391,441 shares of the authorized shares of Preferred Stock are hereby designated "Series G Convertible Preferred Stock" (the " ***Series G Preferred Stock*** ") and 4,124,986 shares of the authorized shares of Preferred Stock are hereby designated "Series H Convertible Preferred Stock" (the " ***Series H Preferred Stock*** ", and together with the Series G Preferred Stock, the " ***Designated Preferred Stock*** ").

D. The rights, preferences and privileges, restrictions and other matters relating to the Series H Preferred Stock and the Series G Preferred Stock are as follows. Capitalized terms used in this Section D. of Article IV, if not otherwise defined in this Section D. of Article IV, are defined in Section D.9 of this Article IV. References in this Section D. of Article IV to a Section or Sections shall be deemed to be references to a Section or Sections in this Section D. of Article IV.

1. Rank.

a. The Series G Preferred Stock shall with respect to distributions of assets and rights upon the occurrence of a Liquidation and a Sale Transaction and in respect of dividend rights, redemption rights and all other rights and preferences rank (i) senior to (A) all classes of common stock of the Corporation (including, without limitation, the Common Stock) and (B) each other class or series of Capital Stock of the Corporation hereafter created which does not expressly rank *pari passu* with or senior to the Series G Preferred Stock (the foregoing clauses (A) and (B), collectively, the " ***Series G Junior Stock*** ") and (ii) junior to the Series H Preferred Stock.

b. The Series H Preferred Stock shall with respect to distributions of assets and rights upon the occurrence of a Liquidation and a Sale Transaction and in respect of dividend rights, redemption rights and all other rights and preferences rank senior to (i) all classes of common stock of the Company (including without limitation, the Common Stock), (ii) the Series G Preferred Stock and (iii) each other class or series of Capital Stock of the Company hereafter created which does not expressly rank *pari passu* with or senior to the Series H Preferred Stock (the foregoing clauses (i), (ii) and (iii), collectively, the " ***Series H Junior Stock*** ").

2. Dividends. The holders of shares of Designated Preferred Stock shall not be entitled to receive any dividends except in accordance with this Section 2. If the Corporation declares and pays dividends on the shares of Common Stock, then, in that event, the holders of shares of Designated Preferred Stock shall be entitled to share in such dividends on a *pro rata* basis, as if their shares had been converted into shares of Common Stock pursuant to Section 6(a) immediately prior to the record date for determining the stockholders of the Corporation eligible to receive such dividends.

3. Liquidation and Sale Transaction.

a. Liquidation.

(i) Upon the occurrence of a Liquidation, the holders of shares of Series H Preferred Stock shall be paid in cash for each share of Series H Preferred Stock held thereby, out of, but only to the extent of, the assets of the Company legally available for distribution to its stockholders, before any payment or distribution is made to any shares of Series H Junior Stock, an amount equal to the greater of (A) the sum of (x) $16.69 (as adjusted for stock splits, stock dividends, combinations or other recapitalizations of the Series H Preferred Stock), *plus* (y) all accrued and unpaid dividends, if any, with respect to each such share of Series H Preferred Stock and (B) the aggregate amount payable in such Liquidation with respect to the number of shares of Common Stock into which such share of Series H Preferred Stock is convertible immediately prior to such Liquidation (the greater of clause (A) and clause (B), the " ***Series H Liquidation Payment*** "). If all of the assets available for distribution to the holders of shares of Series H Preferred Stock shall be insufficient to permit payment in full to such holders of the aggregate Series H Liquidation Payment, then all of the assets available for distribution to holders of shares of Series H Preferred Stock shall be distributed among and paid to such holders of shares of Series H Preferred Stock ratably in proportion to the amounts that would be payable to such holders if such assets were sufficient to permit payment in full.

(ii) Upon the occurrence of a Liquidation, after the payment in full of the Series H Liquidation Payment to the holders of Series H Preferred Stock pursuant to Section 3(a)(i), the holders of shares of Series G Preferred Stock shall be paid in cash for each share of Series G Preferred Stock held thereby, out of, but only to the extent of, the assets of the Company legally available for distribution to its stockholders, before any payment or distribution is made to any shares of Series G Junior Stock, an amount equal to the greater of (A) the sum of (x) $11.00 (as adjusted for stock splits, stock dividends, combinations or other recapitalizations of the Series G Preferred Stock), *plus* (y) all accrued and unpaid dividends, if any, with respect to each such share of Series G Preferred Stock and (B) the aggregate amount payable in such Liquidation with respect to the number of shares of Common Stock into which such share of Series G Preferred Stock is convertible immediately prior to such Liquidation (the greater of clause (A) and clause (B), the " ***Series G Liquidation Payment*** "); *provided , however* , that, if the Series G Liquidation Payment is the amount set forth in clause (A) of this Section 3(a)(ii) and the payment in full of such Series G Liquidation Payment would result in the holders of the Series G Preferred Stock receiving solely with respect to their shares of Series G

Preferred Stock greater than 80% of the remaining assets of the Company available for distribution to its stockholders (after the payment in full of the Series H Liquidation Payment to the holders of the Series H Preferred Stock), then such Series G Liquidation Payment shall be reduced such that the holders of the Series G Preferred Stock receive solely with respect to their shares of Series G Preferred Stock 80% of such remaining assets of the Company. If, after the payment in full of the Series H Liquidation Payment to the holders of Series H Preferred Stock pursuant to Section 3(a)(i), the assets of the Corporation available for distribution to the holders of shares of Series G Preferred Stock shall be insufficient to permit payment in full to such holders of the aggregate Series G Liquidation Payment (as the same may be adjusted in accordance with the proviso to the immediately preceding sentence), then all of the assets available for distribution to holders of shares of Series G Preferred Stock shall be distributed among and paid to such holders of shares of Series G Preferred Stock ratably in proportion to the amounts that would be payable to such holders if such assets were sufficient to permit payment in full.

b. Sale Transaction.

(i) Upon the consummation of a Sale Transaction, the holders of shares of Series H Preferred Stock shall be paid for each share of Series H Preferred Stock held thereby, before any payment or distribution is made to any shares of Series H Junior Stock, an amount equal to the greater of (A) sum of (x) $16.69 (as adjusted for stock splits, stock dividends, combinations or other recapitalizations of the Series H Preferred Stock), *plus* (y) all accrued and unpaid dividends, if any, with respect to each such share of Series H Preferred Stock or (B) the aggregate amount payable in such Sale Transaction with respect to the number of shares of Common Stock into which such share of Series H Preferred Stock is convertible immediately prior to such Sale Transaction (the greater of clause (A) or clause (B), the " ***Series H Sale Payment*** "). If the assets of the Corporation available for distribution to the holders of shares of Series H Preferred Stock shall be insufficient to permit payment in full to such holders of the aggregate Series H Sale Payment, then all of the assets available for distribution to holders of shares of Series H Preferred Stock shall be distributed among and paid to such holders of shares of Series H Preferred Stock ratably in proportion to the amounts that would be payable to such holders if such assets were sufficient to permit payment in full. The Series H Sale Payment shall be paid in the form of consideration paid in such Sale Transaction on the closing date of such Sale Transaction.

(ii) Upon the consummation of a Sale Transaction, after the payment in full of the Series H Sale Payment to the holders of Series H Preferred Stock pursuant to Section 3(b)(i), the holders of shares of Series G Preferred Stock shall be paid for each share of Series G Preferred Stock held thereby, before any payment or distribution is made to any shares of Series G Junior Stock, an amount equal to the greater of (A) sum of (x) $11.00 (as adjusted for stock splits, stock dividends, combinations or other recapitalizations of the Series G Preferred Stock), *plus* (y) all accrued and unpaid dividends, if any, with respect to each such share of Series G Preferred Stock or (B) the aggregate amount payable in such Sale Transaction with respect to the number of shares of Common Stock into which such share of Series G Preferred Stock is convertible immediately prior to such Sale Transaction (the greater of

clause (A) or clause (B), the " ***Series G Sale Payment*** ") ; *provided* , *however* , that, if the Series G Sale Payment is the amount set forth in clause (A) of this Section 3(b)(ii) and the payment in full of such Series G Sale Payment would result in the holders of the Series G Preferred Stock receiving solely with respect to their shares of Series G Preferred Stock greater than 80% of the remaining assets of the Company available for distribution to its stockholders (after the payment in full of the Series H Sale Payment to the holders of the Series H Preferred Stock), then such Series G Sale Payment shall be reduced such that the holders of the Series G Preferred Stock receive solely with respect to their shares of Series G Preferred Stock 80% of such remaining assets of the Company. If, after the payment in full of the Series H Sale Payment to the holders of Series H Preferred Stock pursuant to Section 3(b)(i), the assets of the Corporation available for distribution to the holders of shares of Series G Preferred Stock shall be insufficient to permit payment in full to such holders of the aggregate Series G Sale Payment (as the same may be adjusted in accordance with the proviso to the immediately preceding sentence), then all of the assets available for distribution to holders of shares of Series G Preferred Stock shall be distributed among and paid to such holders of shares of Series G Preferred Stock ratably in proportion to the amounts that would be payable to such holders if such assets were sufficient to permit payment in full. The Series G Sale Payment shall be paid in the form of consideration paid in such Sale Transaction on the closing date of such Sale Transaction.

c. No Additional Payment. After the holders of all shares of Designated Preferred Stock shall have been paid in full the amounts to which they are entitled in Section 3(a) or Section 3(b), as the case may be, the holders of shares of Designated Preferred Stock shall not be entitled to any further participation in any distribution of assets of the Corporation and the remaining assets of the Corporation shall be distributed to the holders of Series G Junior Stock.

d. Notice. Written notice of a Liquidation stating a payment or payments and the place where such payment or payments shall be payable, shall be delivered in person, mailed by certified mail, return receipt requested, mailed by overnight mail or sent by telecopier, not less than 10 days prior to the earliest payment date stated therein, to the holders of record of shares of Designated Preferred Stock, such notice to be addressed to each such holder at its address as shown by the records of the Corporation.

e. Additional Provisions for Sale Transactions. Any securities of the surviving Person to be delivered to the holders of shares of Designated Preferred Stock pursuant to Section 3(b) shall be valued as follows:

(i) With respect to securities that do not constitute "restricted securities," as such term is defined in Rule 144(a)(3) promulgated under the Securities Act, the value shall be deemed to be the Current Market Price of such securities as of three days prior to the date of distribution.

(ii) With respect to securities that constitute "restricted securities," as such term is defined in Rule 144(a)(3) promulgated under the Securities Act, and that are of the same class or series as securities that are publicly traded, the

value shall be adjusted to make an appropriate discount from the value as set forth above in clause (i) to reflect the appropriate fair market value thereof, as determined in good faith by the Board of Directors, or if there is no active public market with respect to such class or series of securities, such securities shall be valued in accordance with clause (i) above, giving appropriate weight, if any, to such restrictions as determined in good faith by the Board of Directors.

4. Redemption.

a. During the period commencing on the fifth anniversary of the Series H Initial Issuance Date through and until 90 days after such fifth anniversary date, if the holders of shares of Designated Preferred Stock own voting securities representing less than a majority of the voting power of the Corporation entitled to vote in the election of directors, then the holders of a majority of the outstanding shares of Designated Preferred Stock shall have the right to require the Corporation to redeem, out of funds legally available therefor, all of the outstanding shares of Designated Preferred Stock for an amount of cash per share (the " ***Redemption Payment*** ") equal to (i) in the case of shares of Series G Preferred Stock, the sum of $11.00 (as adjusted for stock splits, stock dividends, combinations or other recapitalizations of the Series G Preferred Stock), *plus* as provided in Section 2, all accrued and unpaid dividends, if any, with respect to each such share of Series G Preferred Stock to the applicable redemption date, and (ii) in the case of shares of Series H Preferred Stock, the sum of $16.69 (as adjusted for stock splits, stock dividends, combinations or other recapitalizations of the Series H Preferred Stock), *plus* as provided in Section 2, all accrued and unpaid dividends, if any, with respect to each such share of Series H Preferred Stock to the applicable redemption date; *provided, however,* that notwithstanding anything to the contrary contained herein, no redemption of shares of Designated Preferred Stock shall be effected unless (i) the redemption of shares of Designated Preferred Stock is permitted by applicable law, and (ii) any such redemption would not cause the Corporation to have a negative working capital balance (together, the " ***Redemption Limitations*** "). Holders of at least a majority of the outstanding shares of Designated Preferred Stock may exercise the redemption right by giving written notice (the " ***Redemption Notice*** ") thereof to the Corporation (and the Corporation shall immediately thereafter deliver a copy of such Redemption Notice to all of the other holders of shares of Designated Preferred Stock), which Redemption Notice shall specify a date (the " ***Initial Redemption Date*** "), which shall be a Business Day not less than 20 days after the delivery of such Redemption Notice, for the initial redemption of shares of Designated Preferred Stock as provided in Section 4(b). Following the delivery of such Redemption Notice, each holder of the shares of Designated Preferred Stock shall surrender the certificate(s) representing one-third of its shares of Designated Preferred Stock to the Corporation, at any time during usual business hours, at its principal place of business to be maintained by it (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to the holders of shares of Designated Preferred Stock). All certificates representing shares of Designated Preferred Stock so surrendered for redemption shall be delivered to the Corporation for cancellation and cancelled by it and not reissued.

b. Subject to the Redemption Limitations, the Corporation shall redeem one-third of the outstanding shares of Designated Preferred Stock on the Initial Redemption Date and the remaining shares of Designated Preferred Stock shall be redeemed in

two equal annual installments on the first and second anniversaries of the Initial Redemption Date. In connection therewith, prior to the applicable anniversary of the Initial Redemption Date, the holders of shares of Designated Preferred Stock shall surrender to the Corporation the certificate(s) representing the applicable number of outstanding shares of Designated Preferred Stock to be redeemed on such anniversary, at any time during usual business hours, at its principal place of business to be maintained by it (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to the holders of shares of Designated Preferred Stock). All certificates representing shares of Designated Preferred Stock so surrendered for redemption shall be delivered to the Corporation for cancellation and cancelled by it and not reissued.

c.

(i) If the assets of the Corporation available for redemption of the shares of Designated Preferred Stock by law or otherwise on the Initial Redemption Date or any subsequent redemption date are insufficient to redeem the shares of Designated Preferred Stock on such redemption date or would otherwise result in the occurrence of a Redemption Limitation, (x) first , the holders of shares of Series H Preferred Stock shall share ratably in any assets available for redemption in proportion to the amounts that would be payable with respect to the number of shares of Series H Preferred Stock owned by them if the shares of Series H Preferred Stock to be so redeemed on such redemption date were redeemed in full and (y) second , the holders of shares of Series G Preferred Stock shall share ratably in any assets available for redemption in proportion to the amounts that would be payable with respect to the number of shares of Series G Preferred Stock owned by them if the shares of Series G Preferred Stock to be so redeemed on such redemption date were redeemed in full.

(ii) The Corporation shall in good faith use all reasonable efforts as expeditiously as possible to eliminate, or obtain an exception, waiver or exemption from, any and all restrictions under applicable law that prevented the Corporation from paying the Redemption Payment and redeeming the applicable portion of the Designated Preferred Stock on the applicable redemption date. At any time thereafter when additional funds of the Corporation are available by law for the redemption of shares of Designated Preferred Stock and any redemption would not result in the occurrence of a Redemption Limitation, such funds will be used as soon as they become available, to redeem the balance of such shares of Series H Preferred Stock and/or such shares of Series G Preferred Stock that were not redeemed on the applicable redemption date, or such portion thereof for which funds are available, on the basis set forth above. If funds are not available by law for the payment in full of the Redemption Payment for the shares of Series H Preferred Stock and/or the shares of Series G Preferred Stock to be so redeemed on any redemption date, then the Corporation shall be obliged to make such partial redemption so that (x) first , the number of shares of Series H Preferred Stock held by each holder shall be reduced in an amount that shall bear the same ratio to the actual number of shares of Series H Preferred Stock required to be redeemed on such redemption date as the number of shares of Series H Preferred Stock then held by such holder bears to the aggregate number of shares of Series H Preferred Stock then outstanding and (y) second , the number of shares of Series G Preferred Stock

held by each holder shall be reduced in an amount that shall bear the same ratio to the actual number of shares of Series G Preferred Stock required to be redeemed on such redemption date as the number of shares of Series G Preferred Stock then held by such holder bears to the aggregate number of shares of Series G Preferred Stock then outstanding.

(iii) If the Corporation fails to redeem shares of Designated Preferred Stock for which redemption is required, then during the period from the applicable redemption date through the date on which such shares of Designated Preferred Stock that the Corporation failed to redeem on such redemption date are actually redeemed in full, such shares of Designated Preferred Stock shall continue to be entitled to all rights and preferences of Designated Preferred Stock. After payment in full of the aggregate Redemption Payment for all issued and outstanding shares of Designated Preferred Stock, all rights of the holders thereof as stockholders of the Corporation shall cease and terminate.

d. Notwithstanding anything to the contrary contained herein, any holder of Designated Preferred Stock may convert its shares of Designated Preferred Stock into shares of Common Stock pursuant to Section 6(a) at any time prior to the redemption of such shares of Designated Preferred Stock.

5. Election of Directors; Voting Rights.

a. In addition to the voting rights to which the holders of Designated Preferred Stock are entitled under or granted by Delaware law, the holders of shares of Designated Preferred Stock shall be entitled to vote, in person or by proxy, at a special or annual meeting of stockholders or in any written consent in lieu of meeting, on all matters entitled to be voted on by holders of shares of Common Stock voting together as a single class with the Common Stock (and with other shares entitled to vote thereon, if any). With respect to any such vote, each share of Designated Preferred Stock shall entitle the holder thereof to cast that number of votes as is equal to the number of votes that such holder would be entitled to cast had such holder converted its shares of Designated Preferred Stock into shares of Common Stock pursuant to Section 6(a) on the record date for determining the stockholders of the Corporation eligible to vote on any such matters.

b. The holders of shares of Designated Preferred Stock, voting together as a separate class, shall be entitled to elect four directors of the Corporation. At any meeting held for the purpose of electing directors at a time when the holders of shares of Designated Preferred Stock are entitled to vote as a separate class for the election of directors pursuant to this Section 5(b), (i) the presence in person or by proxy of the holders of a majority of the shares of Designated Preferred Stock then outstanding shall constitute a quorum of the Designated Preferred Stock for the election of the directors to be elected solely by the holders of shares of Designated Preferred Stock; (ii) the holders of shares of Designated Preferred Stock shall be entitled to cast one vote per share of Designated Preferred Stock in any such election; and (iii) such directors shall be elected by the affirmative vote of the holders of a majority of the outstanding shares of Designated Preferred Stock. A vacancy in a directorship filled by the holders of the Designated Preferred Stock voting as a separate class pursuant to this Section 5(b)

shall be filled only by the vote or written consent of the holders of shares of Designated Preferred Stock. The directors elected pursuant to this Section 5(b) may not be removed without the consent of the holders of a majority of the shares of Designated Preferred Stock.

c. The Designated Preferred Stock shall vote together as a single class with the Common Stock (and all other classes and series of stock of the Corporation entitled to vote thereon, if any) with respect to the election of all of the other directors of the Corporation.

d. For so long as the General Atlantic Stockholders own (i) (x) a majority of the shares of Series G Preferred Stock and (y) at least 1,671,432 shares of Series G Preferred Stock, or (ii) (x) a majority of the shares of Series H Preferred Stock and (y) at least 1,278,811 shares of Series H Preferred Stock, notwithstanding anything to the contrary set forth in this Amended and Restated Certificate of Incorporation, the Amended and Restated By-laws of the Corporation then in effect or otherwise, the Corporation, whether by action or written consent of the stockholders of the Corporation or the Board of Directors or otherwise, shall not take, approve, consent to or otherwise ratify, and the Corporation shall cause all of its Subsidiaries not to take, approve, consent to or ratify, any of the following actions (whether by merger, consolidation or otherwise) without the consent of holders of a majority of the outstanding shares of Series H Preferred Stock and Series G Preferred Stock, voting as a separate class:

(i) any amendment to the number of shares of Designated Preferred Stock authorized by the Corporation on the applicable Preferred Stock Initial Issuance Date or any issuance of any shares of Designated Preferred Stock by the Corporation other than those issued on the applicable Preferred Stock Initial Issuance Date;

(ii) (x) the creation or issuance of or agreement to create or issue any shares of Capital Stock of the Corporation (other than shares of Common Stock issuable pursuant to the exercise of options granted under the Stock Option Plan and shares of Common Stock issuable upon conversion of any series of the Designated Preferred Stock), ranking senior to or *pari passu* with the Designated Preferred Stock, whether by an amendment to or restatement of this Amended and Restated Certificate of Incorporation or by a merger, consolidation, business combination or otherwise or (y) the redemption of any shares of Capital Stock of the Corporation (other than (1) the redemption of shares of any series of Designated Preferred Stock in accordance with the terms of this Amended and Restated Certificate of Incorporation, and (2) the repurchase by the Corporation of shares of Common Stock pursuant to the terms of the Stock Option Plan);

(iii) any action, including an action to which Section 5(d)(vii) below may apply, which adversely affects the powers, preferences, privileges or other rights of the holders of the shares of Designated Preferred Stock, whether by any amendment to or restatement of this Amended and Restated Certificate of Incorporation or the Amended and Restated By-laws of the Corporation then in effect or by a merger, consolidation, business combination or otherwise;

(iv) the declaration, distribution or payment of any dividend or other distribution on any shares of Capital Stock of the Corporation or any of its Subsidiaries, other than any redemption or repurchase permitted pursuant to Section 5(d)(ii) above;

(v) the creation of any Liens on any of the assets of the Corporation or any of its Subsidiaries, other than (x) in the ordinary course of business and on an arm's-length basis, (y) Permitted Liens, and (z) Liens securing indebtedness under the Comerica Agreement;

(vi) the issuance or incurrence by the Corporation or any of its Subsidiaries of, or the Corporation or any of its Subsidiaries otherwise becoming liable for, any form of Indebtedness or any guarantee of any Indebtedness, other than Indebtedness incurred pursuant to the Comerica Agreement;

(vii) any Sale Transaction, or any sale, transfer, assignment, lease, pledge or other disposition of any assets of the Corporation or any of its Subsidiaries outside the ordinary course of business;

(viii) any transaction between the Corporation or any of its Subsidiaries, on the one hand, and any officer, director or stockholder (or any of their respective Affiliates or any Family Member of any such officer, director or stockholder) of the Corporation or any of its Subsidiaries, on the other hand, other than any such transaction that is on an arm's length basis;

(ix) any capital expenditures that are not included in the annual expense budget of the Corporation and that, individually or in the aggregate, are (A) in excess of $250,000 annually, or (B) in excess of 2% of the annual expense budget of the Corporation;

(x) any change to the size of the Board of Directors; or

(xi) any amendment to this Section 5(d).

6. Conversion.

a. Optional Conversion.

(i) Series H Preferred Stock . Any holder of shares of Series H Preferred Stock shall have the right, at its option, at any time and from time to time, to convert, subject to the terms and provisions of this Section 6, any or all of such holder's shares of Series H Preferred Stock into such number of fully paid and non-assessable shares of Common Stock as is equal to the product of the number of shares of Series H Preferred Stock being so converted multiplied by the quotient of (A) the Series H Liquidation Payment divided by (B) the conversion price of $16.69 per share, subject to adjustment as provided in Section 6 (d) (such price in clause (B), the " ***Series H Conversion Price*** ").

(ii) Series G Preferred Stock **.** Any holder of shares of Series G Preferred Stock shall have the right, at its option, at any time and from time to time, to convert, subject to the terms and provisions of this Section 6, any or all of such holder's shares of Series G Preferred Stock into such number of fully paid and non-assessable shares of Common Stock as is equal to the product of the number of shares of Series G Preferred Stock being so converted multiplied by the quotient of (A) the Series G Liquidation Payment divided by (B) the conversion price of $11.00 per share, subject to adjustment as provided in Section 6 (d) (such price in clause (B), the " ***Series G Conversion Price*** ").

(iii) Mechanics of Optional Conversion . Such conversion rights pursuant to clauses (i) and (ii) of this Section 6(a) shall be exercised by the surrender of certificate(s) representing the shares of Designated Preferred Stock to be converted to the Corporation at any time during usual business hours at its principal place of business to be maintained by it (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to the holders of shares of Designated Preferred Stock), accompanied by written notice that the holder elects to convert such shares of Designated Preferred Stock and specifying the name or names (with address(es)) in which a certificate or certificates for shares of Common Stock are to be issued and (if so required by the Corporation) by a written instrument or instruments of transfer in form reasonably satisfactory to the Corporation duly executed by the holder or its duly authorized legal representative and transfer tax stamps or funds therefor, if required pursuant to Section 6(j). All certificates representing shares of Designated Preferred Stock surrendered for conversion shall be delivered to the Corporation for cancellation and canceled by it. As promptly as practicable after the surrender of any shares of Designated Preferred Stock, the Corporation shall (subject to compliance with the applicable provisions of federal and state securities laws) deliver to the holder of such shares so surrendered certificate(s) representing the number of fully paid and non-assessable shares of Common Stock into which such shares are entitled to be converted and, to the extent funds are legally available therefor, an amount equal to all accrued and unpaid dividends, if any, payable with respect to such shares in accordance with Section 2. At the time of the surrender of such certificate(s), the Person in whose name any certificate(s) for shares of Common Stock shall be issuable upon such conversion shall be deemed to be the holder of record of such shares of Common Stock on such date, notwithstanding that the share register of the Corporation shall then be closed or that the certificates representing such shares of Common Stock shall not then be actually delivered to such Person.

b. Mandatory Conversion.

(i) Series H Preferred Stock . The holders of a majority of all outstanding shares of Series H Preferred Stock shall have the right, at any time, to require all of the outstanding shares of Series H Preferred Stock to be converted into the number of fully paid and non-assessable shares of Common Stock equal to the product of the number of shares of Series H Preferred Stock being converted, *multiplied by* the quotient of (A) the Series H Liquidation Payment divided by (B) the Series H Conversion Price then in effect (after giving effect to any adjustments pursuant to Section 6(d)).

(ii) Series G Preferred Stock . The holders of a majority of all outstanding shares of Series G Preferred Stock shall have the right, at any time, to require all of the outstanding shares of Series G Preferred Stock to be converted into the number of fully paid and non-assessable shares of Common Stock equal to the product of the number of shares of Series G Preferred Stock being converted, *multiplied by* the quotient of (A) the Series G Liquidation Payment divided by (B) the Series G Conversion Price then in effect (after giving effect to any adjustments pursuant to Section 6(d)).

(iii) Mechanics of Mandatory Conversion . Holders of at least a majority of the outstanding shares of Series G Preferred Stock or Series H Preferred Stock, as the case may be, shall exercise the conversion right by giving notice thereof to the Corporation and all the other holders of shares of such series of Designated Preferred Stock, which notice shall specify a date (which shall be a Business Day not more than 30 Business Days after the delivery of such notice) for such conversion. Immediately upon conversion as provided herein, each holder of shares of such series of Designated Preferred Stock shall be deemed to be the holder of record of the shares of Common Stock issuable upon conversion of such holder's shares of such series of Designated Preferred Stock, notwithstanding that the share register of the Corporation shall then be closed or that certificates representing the shares of Common Stock shall not then actually be delivered to such Person. Upon written notice from the Corporation, each holder of shares of such series of Designated Preferred Stock so converted shall promptly surrender to the Corporation at its principal place of business to be maintained by it (or at such other office or agency of the Corporation as the Corporation may designate by such notice to the holders of shares of such series of Designated Preferred Stock) certificates representing the shares so converted.

c. Termination of Rights. On the date of such optional conversion pursuant to Section 6(a) or of such mandatory conversion pursuant to Section 6(b), all rights with respect to the shares of Designated Preferred Stock so converted, including the rights, if any, to receive notices and vote, shall terminate, except only the rights of holders thereof to (i) receive certificates for the number of shares of Common Stock into which such shares of Designated Preferred Stock have been converted, (ii) the payment of dividends that had been declared but not paid, if any, pursuant to Section 2, and (iii) exercise the rights to which they are entitled as holders of shares of Common Stock.

d. Antidilution Adjustments. The Series G Conversion Price and the Series H Conversion Price, and the number and type of securities to be received upon conversion of shares of Series G Preferred Stock and/or Series H Preferred Stock, as the case may be, shall be subject to adjustment as set forth below.

(i) Dividend, Subdivision, Combination or Reclassification of Common Stock. If the Corporation shall at any time or from time to time, prior to conversion of shares of Designated Preferred Stock (w) pay a dividend or make a distribution on the outstanding shares of Common Stock payable in Capital Stock, (x) subdivide the outstanding shares of Common Stock into a larger number of shares, (y) combine the outstanding shares of Common Stock into a smaller number of shares or (z) issue any shares of its Capital Stock in a reclassification of the Common Stock (other

than any such event for which an adjustment is made pursuant to another clause of this Section 6(d)), then, and in each such case, the Series G Conversion Price and the Series H Conversion Price in effect immediately prior to such event shall be adjusted (and any other appropriate actions shall be taken by the Corporation) so that the holder of any share of Designated Preferred Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock or other securities of the Corporation that such holder would have owned or would have been entitled to receive upon or by reason of any of the events described above, had such share of Designated Preferred Stock been converted immediately prior to the occurrence of such event. An adjustment made pursuant to this Section 6(d)(i) shall become effective retroactively (x) in the case of any such dividend or distribution, to a date immediately following the close of business on the record date for the determination of holders of Common Stock entitled to receive such dividend or distribution or (y) in the case of any such subdivision, combination or reclassification, to the close of business on the day upon which such corporate action becomes effective.

(ii) Issuance of Common Stock or Common Stock Equivalent below Series G Conversion Price or Series H Conversion Price.

(A) Series G Preferred Stock . If the Corporation shall at any time or from time to time prior to conversion of shares of Series G Preferred Stock, issue or sell any shares of Common Stock or Common Stock Equivalents at a price per share of Common Stock (the " ***New Issue Price*** ") that is less than the Series G Conversion Price then in effect as of the record date or Issue Date (as defined below), as the case may be (the " ***Relevant Date*** ") (treating the price per share of Common Stock, in the case of the issuance of any Common Stock Equivalent, as equal to (x) the sum of the price for such Common Stock Equivalent, *plus* any additional consideration payable (without regard to any anti-dilution adjustments) upon the conversion, exchange or exercise of such Common Stock Equivalent divided by (y) the number of shares of Common Stock initially underlying such Common Stock Equivalent), other than (A) issuances or sales for which an adjustment is made pursuant to another clause of this Section 6(d) and (B) issuances in connection with an Excluded Transaction, *then* , and in each such case, the Series G Conversion Price then in effect shall be adjusted by *multiplying* the Series G Conversion Price in effect on the day immediately prior to the Relevant Date by a fraction (I) the numerator of which shall be the sum of the number of shares of Common Stock outstanding on the Relevant Date (assuming full exercise and conversion of all outstanding Common Stock Equivalents, except that only Common Stock Equivalents that are "in the money" are assumed to have been exercised and converted if, in connection with a sale of shares that triggers the adjustment required by this section, the Corporation grants equity interests to substantially all then-current employees of the Corporation who hold options that are "out of the money"), *plus* the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of such additional shares of Common Stock so issued would purchase at the Series G Conversion Price on the Relevant Date (or, in the case of Common Stock Equivalents, the number of shares of Common Stock which the aggregate consideration received by the Corporation upon the issuance of such Common Stock Equivalents and receivable by the Corporation upon the conversion, exchange or exercise

of such Common Stock Equivalents would purchase at the Series G Conversion Price on the Relevant Date), and (II) the denominator of which shall be the sum of the number of shares of Common Stock outstanding on the Relevant Date (assuming full exercise and conversion of all outstanding Common Stock Equivalents, except that only Common Stock Equivalents that are "in the money" are assumed to have been exercised and converted if, in connection with a sale of shares that triggers the adjustment required by this section, the Corporation grants equity interests to substantially all then-current employees of the Corporation who hold options that are "out of the money"), *plus* the number of additional shares of Common Stock issued or to be issued (or, in the case of Common Stock Equivalents, the maximum number of shares of Common Stock into which such Common Stock Equivalents initially may convert, exchange or be exercised).

(B) Series H Preferred Stock. If the Corporation shall at any time or from time to time prior to conversion of shares of Series H Preferred Stock, issue or sell any shares of Common Stock or Common Stock Equivalents at a New Issue Price that is less than the Series H Conversion Price then in effect as of the Relevant Date (treating the price per share of Common Stock, in the case of the issuance of any Common Stock Equivalent, as equal to (x) the sum of the price for such Common Stock Equivalent, *plus* any additional consideration payable (without regard to any anti-dilution adjustments) upon the conversion, exchange or exercise of such Common Stock Equivalent divided by (y) the number of shares of Common Stock initially underlying such Common Stock Equivalent), other than (A) issuances or sales for which an adjustment is made pursuant to another clause of this Section 6(d) and (B) issuances in connection with an Excluded Transaction, *then* , and in each such case, the Series H Conversion Price then in effect shall be adjusted by *multiplying* the Series H Conversion Price in effect on the day immediately prior to the Relevant Date by a fraction (I) the numerator of which shall be the sum of the number of shares of Common Stock outstanding on the Relevant Date (assuming full exercise and conversion of all outstanding Common Stock Equivalents, except that only Common Stock Equivalents that are "in the money" are assumed to have been exercised and converted if, in connection with a sale of shares that triggers the adjustment required by this section, the Corporation grants equity interests to substantially all then-current employees of the Corporation who hold options that are "out of the money"), *plus* the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of such additional shares of Common Stock so issued would purchase at the Series H Conversion Price on the Relevant Date (or, in the case of Common Stock Equivalents, the number of shares of Common Stock which the aggregate consideration received by the Corporation upon the issuance of such Common Stock Equivalents and receivable by the Corporation upon the conversion, exchange or exercise of such Common Stock Equivalents would purchase at the Series H Conversion Price on the Relevant Date), and (II) the denominator of which shall be the sum of the number of shares of Common Stock outstanding on the Relevant Date (assuming full exercise and conversion of all outstanding Common Stock Equivalents, except that only Common Stock Equivalents that are "in the money" are assumed to have been exercised and converted if, in connection with a sale of shares that triggers the adjustment required by this section, the Corporation grants equity interests to substantially all then-current employees of the Corporation who hold options that are "out of the money"), *plus* the

number of additional shares of Common Stock issued or to be issued (or, in the case of Common Stock Equivalents, the maximum number of shares of Common Stock into which such Common Stock Equivalents initially may convert, exchange or be exercised).

(C) Such adjustment pursuant to clauses (ii)(A) and (ii)(B) of this Section 6(d) shall be made whenever such shares of Common Stock or Common Stock Equivalents are issued, and shall become effective retroactively (x) in the case of an issuance to the stockholders of the Corporation, as such, to a date immediately following the close of business on the record date for the determination of stockholders entitled to receive such shares of Common Stock or Common Stock Equivalents and (y) in all other cases, on the date (the " ***Issue Date*** ") of such issuance; *provided* , *however* , that the determination as to whether an adjustment is required to be made pursuant to this Section 6(d)(ii) shall only be made upon the issuance of such shares of Common Stock or Common Stock Equivalents, and not upon the issuance of any security into which the Common Stock Equivalents convert, exchange or may be exercised.

(D) In case at any time any shares of Common Stock or Common Stock Equivalents or any rights or options to purchase any shares of Common Stock or Common Stock Equivalents shall be issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Corporation therefor, without deduction therefrom of any expenses incurred or any underwriting commissions or concessions or discounts paid or allowed by the Corporation in connection therewith. In case any shares of Common Stock or Common Stock Equivalents or any rights or options to purchase any Common Stock or Common Stock Equivalents shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Corporation shall be deemed to be the fair market value of such consideration, without deduction therefrom of any expenses incurred or any underwriting commissions or concessions or discounts paid or allowed by the Corporation in connection therewith, as determined in good faith by the Board of Directors.

(E) If any Common Stock Equivalents (or any portions thereof) which shall have given rise to an adjustment pursuant to this Section 6(d)(ii) shall have expired or terminated without the exercise thereof and/or if by reason of the terms of such Common Stock Equivalents there shall have been an increase or increases, with the passage of time or otherwise, in the price payable upon the exercise or conversion thereof, then the Series G Conversion Price and the Series H Conversion Price hereunder, as the case may be, shall be readjusted (but to no greater extent than originally adjusted) in order to (A) eliminate from the computation any additional shares of Common Stock corresponding to such Common Stock Equivalents as shall have expired or terminated, (B) treat the additional shares of Common Stock, if any, actually issued or issuable pursuant to the previous exercise of such Common Stock Equivalents as having been issued for the consideration actually received and receivable therefor, and (C) treat any of such Common Stock Equivalents which remain outstanding as being subject to exercise or conversion on the basis of such exercise or conversion price as shall be in effect at the time.

(iii) Other Changes. In case the Corporation at any time or from time to time, prior to the conversion of shares of Designated Preferred Stock, shall take any action affecting its Common Stock similar to or having an effect similar to any of the actions described in any of Sections 6(d)(i) or (ii) or Section 6(g) (but not including any action described in any such Section) and the Board of Directors in good faith determines that it would be equitable in the circumstances to adjust the Series G Conversion Price and/or the Series H Conversion Price, as the case may be, as a result of such action, then, and in each such case, the Series G Conversion Price and/or the Series H Conversion Price, as the case may be, shall be adjusted in such manner and at such time as the Board of Directors in good faith determines would be equitable in the circumstances (such determination to be evidenced in a resolution, a certified copy of which shall be mailed to the holders of shares of Series G Preferred Stock and/or Series H Preferred Stock, as the case may be).

(iv) No Adjustment. Notwithstanding anything herein to the contrary, no adjustment under this Section 6(d) need be made (A) to the Series G Conversion Price if the Corporation receives written notice from holders of at least a majority of the outstanding shares of Series G Preferred Stock that no such adjustment is required or (B) to the Series H Conversion Price if the Corporation receives written notice from holders of at least a majority of the outstanding shares of Series H Preferred Stock that no such adjustment is required.

e. Abandonment. If the Corporation shall take a record of the holders of its shares of Common Stock for the purpose of entitling them to receive a dividend or other distribution, and shall thereafter and before the distribution to stockholders thereof legally abandon its plan to pay or deliver such dividend or distribution, then no adjustment in the Series G Conversion Price or Series H Conversion Price shall be required by reason of the taking of such record.

f. Certificate as to Adjustments. Upon any adjustment in the Series G Conversion Price or Series H Conversion Price, the Corporation shall within a reasonable period (not to exceed 10 days) following any of the foregoing transactions deliver to each registered holder of shares of Series G Preferred Stock or Series H Preferred Stock, as the case may be, a certificate, signed by the Chief Executive Officer or the Chief Financial Officer of the Corporation, setting forth in reasonable detail the event requiring the adjustment and the method by which such adjustment was calculated and specifying the increased or decreased Series G Conversion Price or Series H Conversion Price, as the case may be, then in effect following such adjustment.

g. Reorganization, Reclassification. In case of any merger or consolidation of the Corporation (other than a Sale Transaction) or any capital reorganization, reclassification or other change of outstanding shares of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value) (each, a " ***Transaction*** "), the Corporation shall execute and deliver to each holder of shares of Designated Preferred Stock at least 10 Business Days prior to effecting such Transaction a certificate, signed by (i) the Chief Executive Officer of the Corporation or (ii) the Chief Financial Officer of the Corporation, stating that the holder of each share of Designated Preferred Stock shall have the

right to receive in such Transaction, in exchange for each share of Designated Preferred Stock, a security that is no less favorable than the Designated Preferred Stock, and provision shall be made therefor in the agreement, if any, relating to such Transaction. Any certificate delivered pursuant to this Section 6(g) shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 6. The provisions of this Section 6(g) and any equivalent thereof in any such certificate similarly shall apply to successive transactions.

h. Notices. In case at any time or from time to time:

(i) the Corporation shall declare a dividend (or any other distribution) on its shares of Common Stock;

(ii) the Corporation shall authorize the granting to the holders of its shares of Common Stock rights or warrants to subscribe for or purchase any shares of Capital Stock of any class or of any other rights or warrants;

(iii) there shall be any Transaction; or

(iv) there shall occur the Initial Public Offering or a Sale Transaction;

then the Corporation shall mail to each holder of shares of Designated Preferred Stock at such holder's address as it appears on the transfer books of the Corporation, as promptly as possible but in any event at least 10 days prior to the applicable date hereinafter specified, a notice stating (A) the date on which a record is to be taken for the purpose of such dividend, distribution or granting of rights or warrants or, if a record is not to be taken, the date as of which the holders of shares of Common Stock of record to be entitled to such dividend, distribution or granting of rights or warrants are to be determined, or (B) the date on which such Transaction, Initial Public Offering or Sale Transaction is expected to become effective and the date as of which it is expected that holders of shares of Common Stock of record shall be entitled to exchange their shares of Common Stock for shares of stock or other securities or property or cash deliverable upon such Transaction, Initial Public Offering or Sale Transaction.

i. Reservation of Common Stock. The Corporation shall at all times reserve and keep available for issuance upon the conversion of shares of Designated Preferred Stock, such number of its authorized but unissued shares of Common Stock as will from time to time be sufficient to permit the conversion of all outstanding shares of Designated Preferred Stock, and shall take all actions to increase the authorized number of shares of Common Stock if at any time there shall be insufficient authorized but unissued shares of Common Stock to permit such reservation or to permit the conversion of all outstanding shares of Designated Preferred Stock; *provided*, that (x) the holders of shares of Designated Preferred Stock vote such shares in favor of any such action that requires a vote of stockholders and (y) such holders cause any directors elected by them pursuant to Section 5(b) to vote in favor of any such action that requires a vote of the Board of Directors.

j. No Conversion Tax or Charge. The issuance or delivery of certificates for shares of Common Stock upon the conversion of shares of Designated Preferred Stock shall be made without charge to the converting holder of shares of Designated Preferred Stock for such certificates or for any tax in respect of the issuance or delivery of such certificates or the securities represented thereby, and such certificates shall be issued or delivered in the respective names of, or (subject to compliance with the applicable provisions of federal and state securities laws) in such names as may be directed by, the holders of the shares of Designated Preferred Stock converted; *provided , however ,* that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in a name other than that of the holder of the shares of Designated Preferred Stock converted, and the Corporation shall not be required to issue or deliver such certificate unless or until the Person or Persons requesting the issuance or delivery thereof shall have paid to the Corporation the amount of such tax or shall have established to the reasonable satisfaction of the Corporation that such tax has been paid.

7. Certain Remedies. Any registered holder of shares of Designated Preferred Stock shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Amended and Restated Certificate of Incorporation and to enforce specifically the terms and provisions of this Amended and Restated Certificate of Incorporation in any court of the United States or any state thereof having jurisdiction, this being in addition to any other remedy to which such holder may be entitled at law or in equity.

8. Business Day. If any payment shall be required by the terms hereof to be made on a day that is not a Business Day, such payment shall be made on the immediately succeeding Business Day.

9. Definitions. As used in this Amended and Restated Certificate of Incorporation, the following terms shall have the following meanings (with terms defined in the singular having comparable meanings when used in the plural and vice versa), unless the context otherwise requires:

" ***Affiliate*** " means any Person who is an "affiliate" as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act. In addition, the following shall be deemed to be Affiliates of the General Atlantic Stockholders: (i) GAP 79 LP, GAP 84 LP, GAP Coinvestments III, GAP Coinvestments IV, GAPCO CDA, GapStar, GmbH Coinvestment and GAP-W, (ii) GA LLC, the members of GA LLC, GmbH Management, the stockholders of GmbH Management, the limited partners of each of GAP 79 LP, GAP 84 LP, GAPCO CDA or GmbH Coinvestment, and the members of GAP Coinvestments III, GAP Coinvestments IV, GapStar or GAP-W; (iii) any Affiliate of GA LLC, the members of GA LLC, the limited partners of GAP 79 LP, GAP 84 LP, GAPCO CDA or GmbH Coinvestment, or the members of GAP Coinvestments III, GAP Coinvestments IV, GapStar or GAP-W; and (iv) any limited liability company or partnership a majority of whose members or partners, as the case may be, are members or former members of GA LLC or consultants or key employees of General Atlantic Service Company, LLC, a Delaware limited liability company and an Affiliate of GA LLC. In addition, GA TriNet, GAP 79 LP, GAP 84 LP, GAP Coinvestments III, GAP Coinvestments IV, GAPCO CDA, GapStar, GmbH Coinvestment, GAP-W and HR Acquisitions shall be deemed to be Affiliates of one another. Notwithstanding anything to the contrary set forth in this Amended and Restated Certificate of Incorporation, no portfolio company of GA LLC shall be deemed or treated as an Affiliate of the General Atlantic Stockholders.

" ***Board of Directors*** " means the board of directors of the Corporation.

" ***Business Day*** " means any day except a Saturday, a Sunday, or other day on which commercial banks in the State of New York are authorized or required by law or executive order to close.

" ***Capital Stock*** " means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, such Person's capital stock and any and all rights, warrants or options exchangeable for or convertible into such capital stock (but excluding any debt security whether or not it is exchangeable for or convertible into such capital stock).

" ***Comerica Agreement*** " means the Revolving Credit and Term Loan Agreement, dated June 1, 2009, by and among the Corporation, TriNet HR Corporation, Comerica Bank and the other parties signatory thereto relating to debt financing not to exceed $80,000,000 million in available aggregate principal amount.

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

" ***Common Stock Equivalent*** " means any security or obligation which is by its terms convertible or exchangeable into shares of Common Stock or another Common Stock Equivalent, including, without limitation, the Designated Preferred Stock and any option, warrant or other subscription or purchase right with respect to Common Stock.

" ***Current Market Price*** " per share means, as of the date of determination, (a) the average of the daily Market Price under clause (a), (b) or (c) of the definition thereof of the Common Stock during the immediately preceding 30 trading days ending on such date, and (b) if the Common Stock is not then listed or admitted to trading on any national securities exchange or quoted in the over-the-counter market, then the Market Price under clause (d) of the definition thereof on such date.

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

" ***Excluded Transaction*** " means (a) any issuance of shares of restricted stock or options to purchase shares of Common Stock to employees, consultants, officers or directors of the Corporation pursuant to a stock option plan or other employee benefit arrangement approved by the Board of Directors, (b) any issuance of shares of Common Stock (i) upon the conversion of shares of Designated Preferred Stock, (ii) as a dividend on shares of Common Stock for which an adjustment is made pursuant to Section 6(d)(i) or on shares of Designated Preferred Stock or (iii) upon conversion or exercise of any Common Stock Equivalents, (c) any issuance of Capital Stock of the Corporation in consideration of an acquisition by the Corporation or any of its Subsidiaries of assets or Capital Stock of another Person, or (d) any issuance of shares of Capital Stock of the Corporation pursuant to joint

venture or partnering transactions, equipment leases or credit lines, in the case of each of clauses (c) or (d), as approved by the Board of Directors (and for the avoidance of doubt, excluding private equity or other equity financings of the Corporation).

" ***Family Member*** ", with respect to a person, means a member of such person's immediate family, which shall include his spouse, children or grandchildren.

" ***GA LLC*** " means General Atlantic LLC, a Delaware limited liability company.

" ***GAP 79 LP*** " means General Atlantic Partners 79, L.P., a Delaware limited partnership.

" ***GAP 84 LP*** " means General Atlantic Partners 84, L.P., a Delaware limited partnership.

" ***GAP Coinvestments III*** " means GAP Coinvestments III, LLC, a Delaware limited liability company.

" ***GAP Coinvestments IV*** " means GAP Coinvestments IV, LLC, a Delaware limited liability company.

" ***GAPCO CDA*** " means GAP Coinvestments CDA, L.P., a Delaware limited partnership.

" ***GapStar*** " means GapStar, LLC, a Delaware limited liability company.

" ***GAP-W*** " means GAP-W, LLC, a Delaware limited liability company.

" ***GA TriNet*** " means GA TriNet, LLC, a Delaware limited liability company.

" ***General Atlantic Stockholders*** " means GA TriNet, HR Acquisitions, any Affiliate of GA TriNet or HR Acquisitions that owns securities of the Corporation and any Affiliate of GA TriNet or HR Acquisitions to whom securities of the Corporation are distributed or transferred by GA TriNet or HR Acquisitions or such Affiliate.

" ***GmbH Coinvestment*** " means GAPCO GmbH & Co. KG, a German limited partnership.

" ***GmbH Management*** " means GAPCO Management GmbH, a German company with limited liability and the general partner of GmbH Coinvestment, and any successor to such entity.

" ***HR Acquisitions*** " means HR Acquisitions, LLC, a Delaware limited liability company.

" ***Indebtedness*** " means, as to any Person, (i) all obligations of such Person for borrowed money (including, without limitation, reimbursement and all other obligations with respect to surety bonds, letters of credit and bankers' acceptances, whether or not matured), (ii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable and accrued liabilities arising in the ordinary course of business, (iii) all interest rate and currency swaps, caps, collars and similar agreements or hedging devices under which payments are obligated to be made by such Person, whether periodically or upon the happening of a contingency, (iv) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (v) all obligations of such Person under leases which have been or should be, in accordance with the United States generally accepted accounting principles, recorded as capital leases, and (vi) all indebtedness secured by any Lien (other than statutory Lien or Liens in favor of lessors under leases other than leases included in clause (v)) on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person.

" ***Initial Public Offering*** " means the first underwritten public offering of shares of Common Stock pursuant to an effective registration statement under the Securities Act.

" ***Initial Redemption Date*** " has the meaning ascribed to it in Section 4(a).

" ***Issue Date*** " has the meaning ascribed to it in Section 6(d)(ii)(C).

" ***Lien*** " means any mortgage, deed of trust, pledge, hypothecation, assignment, encumbrance, lien (statutory or other) or preference, priority, right or other security interest or preferential arrangement of any kind or nature whatsoever.

" ***Liquidation*** " means the voluntary or involuntary liquidation under applicable bankruptcy or reorganization legislation, or the dissolution or winding up of the Corporation.

" ***Market Price*** " means, as of the date of determination, (a) if the Common Stock is listed on a national securities exchange, the closing price per share of Common Stock on such date quoted on Bloomberg or a similar platform or, if no such closing price on such date is quoted on Bloomberg or a similar platform, the average of the closing bid and asked prices on such date, as officially reported on the principal national securities exchange on which the Common Stock is then listed or admitted to trading; or (b) if the Common Stock is not then listed or admitted to trading on any national securities exchange, the last sale price or, if such last sale price is not reported, the average of the high bid and low asked prices in the over-the-counter market, as reported by The Nasdaq Stock Market or such other system then in use; or (c) if on any such date, the Common Stock is not quoted by any such organization, the average of the closing bid and asked prices of the Common Stock on such date as furnished by a professional market maker making a market in the Common Stock selected by the Corporation; or (d) if none of (a), (b) or (c) is applicable, a market price per share determined mutually by the Board of Directors and the holders of a majority of the shares of Designated Preferred Stock or, if the

Board of Directors and the holders of a majority of the shares of Designated Preferred Stock shall fail to agree, at the Corporation's expense, by an appraiser chosen by the Board of Directors and reasonably acceptable to the holders of a majority of the shares of Designated Preferred Stock. Any determination of the Market Price by an appraiser shall be based on a valuation of the Corporation as an entirety without regard to any discount for minority interests or disparate voting rights among classes of Capital Stock.

" ***New Issue Price*** " has the meaning ascribed to it in Section 6(d)(ii)(A).

" ***Permitted Liens*** " means (a) Liens that relate to taxes or assessments that are not yet delinquent or being contested in good faith by appropriate proceedings which stay the enforcement of such Liens and for which adequate reserves have been established in accordance with generally accepted accounting principles in the United States as in effect from time to time, and (b) Liens of landlords and liens of carriers, warehousemen, mechanics or materialmen and other like Liens arising in the ordinary course of business consistent with past custom and practice for sums not yet due and payable or the amount or validity of which is being contested in good faith.

" ***Person*** " means any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, governmental body or other entity of any kind.

" ***Preferred Stock Initial Issuance Date*** " means in the case of the Series G Preferred Stock, the Series G Initial Issuance Date and in the case of the Series H Preferred Stock, the Series H Initial Issuance Date.

" ***Redemption Limitations*** " has the meaning ascribed to it in Section 4(a).

" ***Redemption Notice*** " has the meaning ascribed to it in Section 4(a).

" ***Redemption Payment*** " has the meaning ascribed to it in Section 4(a).

" ***Relevant Date*** " has the meaning ascribed to it in Section 6(d)(ii)(A).

" ***Sale Transaction*** " means, whether in a single transaction or a series of related transactions, (i) any merger, tender offer or other business combination in which the stockholders of the Corporation owning the voting securities of the Corporation prior to such transaction do not own a majority of the voting securities of the surviving Person, (ii) a voluntary sale of voting securities by the stockholders of the Corporation to any Person in which the stockholders of the Corporation owning a majority of the voting securities of the Corporation prior to such sale do not own a majority of the voting securities of the surviving Person (including, without limitation, the ultimate parent company) or (iii) the sale, transfer or other disposition of all or substantially all of the assets of the Corporation; *provided* , that, in no event shall a transfer of the voting securities of the Corporation between or among the General Atlantic Stockholders be deemed to be a Sale Transaction.

" ***Securities Act*** " means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

" ***Series G Conversion Price*** " has the meaning ascribed to it in Section 6(a)(ii).

" ***Series G Initial Issuance Date*** " means the date on which shares of Series G Preferred Stock are first issued.

" ***Series G Junior Stock*** " has the meaning ascribed to it in Section 1(a).

" ***Series G Liquidation Payment*** " has the meaning ascribed to it in Section 3(a)(ii).

" ***Series G Sale Payment*** " has the meaning ascribed to it in Section 3(b)(ii).

" ***Series H Conversion Price*** " has the meaning ascribed to it in Section 6(a)(i)

" ***Series H Initial Issuance Date*** " means the date on which shares of Series H Preferred Stock are first issued.

" ***Series H Junior Stock*** " has the meaning ascribed to it in Section 1(b).

" ***Series H Liquidation Payment*** " has the meaning ascribed to it in Section 3(a)(i).

" ***Series H Sale Payment*** " has the meaning ascribed to it in Section 3(b)(i).

" ***Stock Option Plan*** " means the 2000 Equity Incentive Plan of the Corporation.

" ***Subsidiaries*** " means, as of the relevant date of determination, with respect to any Person, a corporation or other Person of which 50% or more of the voting power of the outstanding voting equity securities or 50% or more of the outstanding economic equity interest is held, directly or indirectly, by such Person.

" ***Transaction*** " has the meaning ascribed to it in Section 6(g).

V.

In the case of any vacancy in the office of a director, the stockholders that previously elected such director to that office, at a duly held meeting or by written consent, may elect a successor to fill the vacancy. Any director may be removed either with or without cause by, and only by, the stockholders that elected that director at a duly held meeting or by unanimous written consent, and any vacancy thereby created may be filled by such stockholders in the same manner.

VI.

A. The liability of the directors for monetary damages shall be eliminated to the fullest extent under applicable law.

B. Any repeal or modification of this Article VI shall be prospective and shall not affect the rights under this Article VI in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

VII.

A. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as otherwise expressly set forth herein, and all rights conferred upon the stockholders herein are granted subject to this reservation.

B. The Board of Directors is expressly empowered to adopt, amend or repeal the Amended and Restated By-laws of the Company. The stockholders shall also have the power to adopt, amend or repeal the Amended and Restated By-laws of the Company; provided however, that, in addition to any vote of the holders of any class or series of stock of the Company required by law or by this Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of a majority of the voting power of all of the then-outstanding shares of the capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal any provision of the Amended and Restated By-laws of the Company.

FOUR: This Amended and Restated Certificate of Incorporation has been duly approved by the Board of Directors of the Corporation.

FIVE: This Amended and Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 228, 242 and 245 of the DGCL by the Board of Directors and the stockholders of the Corporation.

IN WITNESS WHEREOF, TRINET GROUP, INC. has caused this Amended and Restated Certificate of Incorporation to be signed by the Chief Executive Officer and the Secretary in San Leandro, California on this June 1, 2009.

By: /s/ Burton Goldfield
Burton Goldfield, Chief Executive Officer

By: /s/ Gregory Hammond
Gregory Hammond, Secretary

CERTIFICATE OF AMENDMENT OF
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
TRINET GROUP, INC.

TRINET GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "***Corporation***"), does hereby certify as follows:

ONE: The original name of this corporation is TriNet Merger Corporation and the date of filing the original Certificate of Incorporation of this corporation with the Secretary of State of the State of Delaware was January 26, 2000.

TWO: Burton Goldfield is the duly elected and acting President and Chief Executive Officer of the Corporation.

THREE: The Board of Directors of the Corporation, acting in accordance with the provisions of Section 141 and 242 of the General Corporation Law of the State of Delaware, adopted resolutions amending its Amended and Restated Certificate of Incorporation as follows:

Article IV Section A shall be amended in its entirety to read as follows:

"**A.** This Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is 41,516,427 shares, 32,000,000 shares of which shall be Common Stock (the "***Common Stock***") and 9,516,427 shares of which shall be Preferred Stock (the "***Preferred Stock***"). The Common Stock shall have a par value of $0.00005 per share and the Preferred Stock shall have a par value of $0.0001 per share. The number of shares of Common Stock may be increased or decreased (but not below the number of shares of Common Stock then outstanding, issuable upon the conversion of any convertible securities of the Corporation then outstanding and issuable upon the exercise of all outstanding options and warrants) by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of Common Stock and Preferred Stock, voting together as a single class, irrespective of the provisions of Section 242(b)(2) of the DGCL, and no separate vote of the holders of the Common Stock voting separately as a class shall be required therefor. From and after the effective time of the filing of this Certificate of Amendment (the "***Effective Time***"), the Corporation shall effect a two-for-one (2:1) forward stock split of its outstanding shares of Common Stock, such that each holder of record of one (1) share of Common Stock previously held by such holder shall be entitled to hold two (2) shares of Common Stock (the "***Stock Split***"), and that the par value of such Common Stock, after giving effect to the Stock Split, shall be $0.00005 per share."

FOUR: The foregoing amendments were submitted to the stockholders of the Corporation for their approval and were duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

[SIGNATURE PAGE FOLLOWS]

TriNet Group, Inc. has caused this Certificate of Amendment to be signed by its President and Chief Executive Officer this June 28, 2013.

TRINET GROUP, INC.

Signature: /s/ Burton Goldfield

Print Name: Burton Goldfield

Title: President and Chief Executive Officer

Exhibit 3.3

AMENDED AND RESTATED BYLAWS

OF

TRINET GROUP, INC.
(A DELAWARE CORPORATION)

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AMENDED AND RESTATED BYLAWS

OF

TRINET GROUP, INC.
(A DELAWARE CORPORATION)

ARTICLE I

OFFICES

Section 1. Registered Office . The registered office of the corporation in the State of Delaware shall be in the City of Dover, County of Kent.

Section 2. Other Offices. The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

CORPORATE SEAL

Section 3. Corporate Seal. The Board of Directors may adopt a corporate seal. The corporate seal shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

STOCKHOLDERS' MEETINGS

Section 4. Place of Meetings. Meetings of the stockholders of the corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law ("DGCL").

Section 5. Annual Meeting . If required by applicable law, a meeting of stockholders shall be held annually for the election of Directors at such date and time as may be designated by resolution of the Board of Directors from time to time. Any other business may be transacted at the annual meeting.

Section 6. Special Meetings . Special meetings of the stockholders of the corporation may be called, for any purpose or purposes, by the Board of Directors and may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purpose stated in the notice.

At any time or times that the corporation is subject to Section 2115(b) of the California General Corporation Law ("CGCL"), stockholders holding five percent (5%) or more of the outstanding shares shall have the right to call a special meeting of stockholders as set forth in Section 18(b) herein.

Section 7. Notice of Meetings. Except as otherwise provided by law, notice given in writing or by electronic transmission, of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour, in the case of special meetings, the purpose or purposes of the meeting, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at any such meeting. If mailed, notice is 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. Notice of the time, place, if any, and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder 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. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the currently effective Certificate of Incorporation of the corporation as amended and in effect at the time (the "Certificate of Incorporation"), or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened 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. Except as otherwise provided by statute, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of a majority of shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by the statute or by the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person,

by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the majority (plurality, in the case of the election of directors) of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof are announced at the meeting at which the adjournment is taken. 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 (30) 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 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three (3) years from its date of creation unless the proxy provides for a longer period.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the DGCL, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsection (c) shall be a majority or even-split in interest.

Section 12. List of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, 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 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. The list shall be open to examination of any stockholder during the time of the meeting as provided by law.

Section 13. Action Without Meeting .

(a) Unless otherwise provided in the Certificate of Incorporation, any action required by statute to be taken at any annual or special meeting of the stockholders, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, or by electronic transmission setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

(b) Every written consent or electronic transmission shall bear the date of signature of each stockholder who signs the consent, and no written consent or electronic transmission shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation in the manner herein required, written consents or electronic transmissions signed by a sufficient number of stockholders to take action are delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing or by electronic transmission and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of stockholders to take action were delivered to the corporation as provided in Section 228(c) of the DGCL. If the action which is consented to is such as would have required the filing of a certificate under any section of the DGCL if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

(d) A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder and (ii) the date on which such stockholder or proxyholder or authorized person

or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the corporation by delivery to its registered office in the state of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the board of directors of the corporation. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Section 14. Organization .

(a) At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or, if the President is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

(b) The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE IV

DIRECTORS

Section 15. Number .

The authorized number of directors of the corporation shall initially be fixed at seven (7), and thereafter may be changed from time to time in accordance with that certain Amended and Restated Stockholders Agreement, dated as of June 1, 2009, by and among the corporation and the stockholders of the corporation signatory thereto (as amended, supplemented or modified from time to time, the " Stockholders Agreement "). Directors need not be stockholders.

Section 16. Powers. The powers of the corporation shall be exercised, its business conducted and its property controlled by the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

Section 17. Term of Directors.

(a) Each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(b) No person entitled to vote at an election for directors may cumulate votes to which such person is entitled, unless, at the time of such election, the corporation is subject to Section 2115(b) of the CGCL. During such time or times that the corporation is subject to Section 2115(b) of the CGCL, every stockholder entitled to vote at an election for directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such stockholder's shares are otherwise entitled, or distribute the stockholder's votes on the same principle among as many candidates as such stockholder thinks fit. No stockholder, however, shall be entitled to so cumulate such stockholder's votes unless (i) the names of such candidate or candidates have been placed in nomination prior to the voting and (ii) the stockholder has given notice at the meeting, prior to the voting, of such stockholder's intention to cumulate such stockholder's votes. If any stockholder has given proper notice to cumulate votes, all stockholders may cumulate their votes for any candidates who have been properly placed in nomination. Under cumulative voting, the candidates receiving the highest number of votes, up to the number of directors to be elected, are elected.

Section 18. Vacancies.

(a) Unless otherwise provided in the Certificate of Incorporation or the Stockholders Agreement, and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of

the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

(b) At any time or times that the corporation is subject to §2115(b) of the CGCL, if, after the filling of any vacancy, the directors then in office who have been elected by stockholders shall constitute less than a majority of the directors then in office, then

(1) any holder or holders of an aggregate of five percent (5%) or more of the total number of shares at the time outstanding having the right to vote for those directors may call a special meeting of stockholders; or

(2) the Superior Court of the proper county shall, upon application of such stockholder or stockholders, summarily order a special meeting of the stockholders, to be held to elect the entire board, all in accordance with Section 305(c) of the CGCL, the term of office of any director shall terminate upon that election of a successor.

Section 19. Resignation. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. Unless otherwise provided in the Amended and Restated Certificate of Incorporation or the Stockholders Agreement, when one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until his successor shall have been duly elected and qualified.

Section 20. Removal.

(a) Subject to any limitations imposed by applicable law (and assuming the corporation is not subject to Section 2115 of the CGCL), and unless otherwise provided in the Certificate of Incorporation or the Stockholders Agreement, the Board of Directors or any director may be removed from office at any time (i) with cause by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of capital stock of the corporation entitled to vote generally at an election of directors or (ii) without cause by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of capital stock of the corporation, entitled to vote generally at an election of directors.

(b) During such time or times that the corporation is subject to Section 2115(b) of the CGCL, and unless otherwise provided in the Certificate of Incorporation or the Stockholders Agreement, the Board of Directors or any individual director may be removed from office at any time without cause by the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote on such removal; provided, however, that

unless the entire Board is removed, no individual director may be removed when the votes cast against such director's removal, or not consenting in writing to such removal, would be sufficient to elect that director if voted cumulatively at an election which the same total number of votes were cast (or, if such action is taken by written consent, all shares entitled to vote were voted) and the entire number of directors authorized at the time of such director's most recent election were then being elected.

Section 21. Meetings

(a) Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors, either orally or in writing, including a voice-messaging system or other system designated to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for a regular meeting of the Board of Directors.

(b) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the President or any two of the directors.

(c) Meetings by Electronic Communications Equipment. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) Notice of Special Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting. If notice is sent by US mail, it shall be sent by first class mail, postage prepaid at least three (3) days before the date of the meeting. Notice of any meeting may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the 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.

(e) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 22. Quorum and Voting .

(a) Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time by the Board of Directors in accordance with the Stockholders Agreement and these Bylaws; *provided* , *however* , at any meeting, whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws.

Section 23. Action Without 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 thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or 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 24. Fees and Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Section 25. Committees .

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in the resolution 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, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any bylaw of the corporation.

(b) Other Committees. The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors and

shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. The Board of Directors, subject to the provisions of the Stockholders Agreement and the provisions of subsections (a) or (b) of this Bylaw, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation from the committee or from the Board of Directors. Subject to the provisions of the Stockholders Agreement, the Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. Subject to the provisions of the Stockholders Agreement, 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, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they 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.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 25 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special 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. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 26. Organization. At every meeting of the directors, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or if the President is absent, the most senior Vice President, (if a director) or, in the absence of any such person, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, any Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

ARTICLE V

OFFICERS

Section 27. Officers Designated. The officers of the corporation shall include, if and when designated by the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer, the Treasurer and the Controller, all of whom shall be appointed by the Board of Directors. The Board of Directors may also appoint one or more Assistant Secretaries, Assistant Treasurers, Assistant Controllers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 28. Tenure and Duties of Officers .

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chairman of the Board of Directors. The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. If there is no President, then the Chairman of the Board of Directors shall also serve as the Chief Executive Officer of the corporation and shall have the powers and duties prescribed in paragraph (c) of this Section 28.

(c) Duties of President. The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors has been appointed and is present. Unless some other officer has been elected Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(d) Duties of Vice Presidents. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(e) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in these Bylaws and other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(f) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. The President may direct the Treasurer or any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

Section 29. Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 30. Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission notice to the Board of Directors or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract with the resigning officer.

Section 31. Removal. Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or superior officers upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE VI

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 32. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation.

All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 33. Voting of Securities Owned by the Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President.

ARTICLE VII

SHARES OF STOCK

Section 34. Form and Execution of Certificates. Certificates for the shares of stock of the corporation shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman of the Board of Directors, or the President or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile 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 with the same effect as if he were such officer, transfer agent, or registrar at the date of issue. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this section or otherwise required by law or with respect to this section a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 35. Lost Certificates. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to agree to indemnify the corporation in such manner as it shall require or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 36. Transfers .

(a) Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

Section 37. Permitted Transfers

(a) At any time, any stockholder who is not a party to the Stockholders Agreement may transfer all or a portion of his or its shares of stock to or among (i) any of his or its Affiliates (as defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended), (ii) a member of such stockholder's immediate family, which shall include his spouse, children or grandchildren (" Family Members ") or (iii) a trust, corporation, partnership or limited liability company, all of the beneficial interests in which shall be held by such stockholder or one or more Family Members of such stockholder; provided , however , that during the period that any such trust, corporation, partnership or limited liability company holds any right, title or interest in any shares of stock, no person other than such stockholder or one or more Family Members of such stockholder may be or may become beneficiaries, stockholders, limited or general partners or members thereof; (the persons referred to in the preceding clauses (i), (ii) and (iii) are each referred to hereinafter as a " Permitted Transferee "). A Permitted Transferee of shares of stock pursuant to this Section 37 may transfer its shares pursuant to this Section 37 only to the transferor stockholder or to a person that is a Permitted Transferee of such transferor stockholder.

(b) If any such stockholder wishes to transfer shares of stock to a Permitted Transferee, such stockholder shall give notice to the corporation of its intention to make such a transfer not less than 10 days prior to effecting such transfer, which notice shall state the name and address of each Permitted Transferee to whom such transfer is proposed, the relationship of such Permitted Transferee to such stockholder, and the number of shares of stock proposed to be transferred to such Permitted Transferee.

(c) Notwithstanding the foregoing, no transfer may be made unless the transfer complies in all respects with applicable federal and state securities laws. If requested by the corporation, an opinion of counsel to such transferring stockholder shall be supplied to the corporation, at such transferring stockholder's expense, to the effect that such transfer complies with all applicable federal and state securities laws.

Section 38. Right of First Offer .

(a) If any stockholder who is not a party to the Stockholders Agreement (a " Selling Stockholder ") wishes to transfer all or any portion of its or his shares of stock to any person other than to a Permitted Transferee (a " Third Party Purchaser "), such Selling Stockholder shall offer such shares of stock to the corporation, by sending written notice (an " Offering Notice ") to the corporation, which shall state (i) the number of shares of stock proposed to be transferred (the " Offered Securities "); (ii) the proposed purchase price per share of stock for the Offered Securities (the " Offer Price "); and (iii) the other material terms and conditions of such sale. Upon delivery of the Offering Notice, such offer shall be irrevocable unless and until the rights of first offer provided for herein shall have been waived or shall have expired. For a period of 30 days after the giving of the Offering Notice (the " Option Period "), the corporation shall have the right, but not the obligation, to purchase (the " Purchase Right ") all of the Offered Securities at a purchase price equal to the Offer Price and upon the terms and conditions set forth in the Offering Notice. The Purchase Right shall be exercisable by delivering written notice of the exercise thereof, prior to the expiration of the Option Period, to the Selling Stockholder. The failure of the corporation to provide notice to the Selling Stockholder within the Option Period shall be deemed to be a waiver of the Purchase Right. The corporation may waive its rights hereunder prior to the expiration of the Option Period by giving written notice to the Selling Stockholder. The corporation may also assign the Purchase Right to any person designated by the Board of Directors.

(b) The closing of the purchases of Offered Securities purchased by the corporation or its assignee shall be held at the executive office of the corporation at 11:00 a.m., local time, on the 45th day after the giving of the Offering Notice or at such other time and place as the parties to the transaction may agree. At such closing, the Selling Stockholder shall deliver certificates representing the Offered Securities, duly endorsed for transfer and accompanied by all requisite transfer taxes, if any, and such Offered Securities shall be free and clear of all liens, pledges and encumbrances and the Selling Stockholder shall so represent and warrant, and shall further represent and warrant that it is the sole beneficial and record owner of such Offered Securities. At the closing, the corporation and/or its assignee, as the case may be, purchasing such Offered Securities shall deliver payment in full in immediately available funds for the Offered Securities purchased by it or him. At such closing, all of the parties to the transaction shall execute such additional documents as are otherwise necessary or appropriate.

(c) Unless the corporation and/or its assignee elect to purchase all, but not less than all, of the Offered Securities, then the Selling Stockholder may sell all, but not less than all, of the Offered Securities to a Third Party Purchaser on the terms and conditions set forth in the

Offering Notice; provided , however , that such sale is bona fide and made pursuant to a contract entered into on a date (the " Contract Date ") within 60 days after the earlier to occur of (x) the waiver by the corporation of the Purchase Right and (y) the expiration of the Option Period. If such sale is not consummated within 30 days after the Contract Date for any reason, then the restrictions provided for herein shall again become effective, and no transfer of such Offered Securities may be made thereafter by the Selling Stockholder without again offering the same to the corporation in accordance with this Section 38.

Section 39. Drag-Along Right . If the corporation wishes to consummate a Drag Transaction (as defined below), then the corporation may, subject to the provisions of this Section 39 (the " Drag-Along Right "), require each of the stockholders who is not a party to the Stockholders Agreement (the " Drag-Along Sellers ") to, and each Drag-Along Seller shall be obligated to, (i) sell all of its shares of stock in the Drag Transaction on the terms and conditions set forth in the definitive agreements governing the Drag Transaction and (ii) otherwise take all necessary action to cause the consummation of such Drag Transaction, including, without limitation, (A) executing all documents reasonably requested by the corporation, (B) voting such Drag-Along Seller's shares of stock in favor of the Drag Transaction and otherwise consenting to and raising no objection to such Drag Transaction, and waiving any dissenters' rights, appraisal rights or similar rights which such Drag-Along Seller may have in connection with such Drag Transaction, (C) in the case that the Drag Transaction involves an acquisition of shares of stock by an acquiror, selling, transferring and delivering to such acquirer all of the shares of stock owned by such Stockholder, and (D) appointing the corporation as its attorney-in-fact to do the same on its behalf. If the corporation wishes to exercise the Drag-Along Right, then it shall give written notice to the Drag-Along Sellers. A " Drag Transaction " means, whether in a single transaction or a series of related transactions, (i) any merger, tender offer or other business combination in which the stockholders owning the voting securities of the corporation prior to such transaction do not own a majority of the voting securities of the surviving entity, (ii) a voluntary sale of voting securities by the stockholders of the corporation to any person or entity (excluding an Affiliate of the General Atlantic LLC) in which the stockholders owning the voting securities of the corporation prior to such sale do not own a majority of the voting power of the surviving entity (including, without limitation, the ultimate parent company), or (iii) the sale, transfer or other disposition of all or substantially all of the assets of the corporation.

Section 40. Fixing Record Dates .

(a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided , however* , that the Board of Directors may fix a new record date for the adjourned meeting.

(b) 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, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, 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 by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. 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.

(c) 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, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) 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 thereto.

Section 41. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, 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 thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII

OTHER SECURITIES OF THE CORPORATION

Section 42. Execution of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates (covered in Section 34), may be signed by the Chairman of the Board of Directors, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal

impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; *provided , however* , that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE IX

DIVIDENDS

Section 43. Declaration of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation, the Stockholders Agreement and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation, the Stockholders Agreement and applicable law.

Section 44. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

FISCAL YEAR

Section 45. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 46. Indemnification Of Directors, Executive Officers, Other Officers, Employees And Other Agents.

(a) Directors And Executive Officers. The corporation shall indemnify its directors and executive officers (for the purposes of this Article XI, "executive officers" shall have the meaning defined in Rule 3b-7 promulgated under the 1934 Act) to the fullest extent not prohibited by the DGCL or any other applicable law; *provided, however,* that the corporation may modify the extent of such indemnification by individual contracts with its directors and executive officers; and, *provided, further,* that the corporation shall not be required to indemnify any director or executive officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d).

(b) Other Officers, Employees and Other Agents. The corporation shall have power to indemnify its other officers, employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether indemnification shall be given to any such person except executive officers to such officers or other persons as the Board of Directors shall determine.

(c) Expenses. The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or executive officer, of the corporation, or is or was serving at the request of the corporation as a director or executive officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or executive officer in connection with such proceeding upon receipt of an undertaking by or on behalf of such person to repay said amounts if it should be determined ultimately that such person is not entitled to be indemnified under this Section 46 or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this Section 46, no advance shall be made by the corporation to an executive officer of the corporation (except by reason of the fact that such executive officer is or was a director of the corporation in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding, or (ii) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

(d) Enforcement.

(1) Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and executive officers under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or executive officer. Any right to indemnification or advances granted by this Section 46 to a director or executive officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an executive officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such executive officer is or was a director of the corporation) for advances, the corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation, or with respect to any criminal action or proceeding that such person acted without reasonable cause to believe that his conduct was lawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or executive officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or executive officer is not entitled to be indemnified, or to such advancement of expenses, under this Section 46 or otherwise shall be on the corporation.

(2) The corporation hereby acknowledges that some of its directors (the " Specified Directors ") may have certain rights to indemnification and advancement of expenses provided by other entities and/or organizations (collectively, the " Fund Indemnitors "). The corporation hereby agrees and acknowledges (i) that it is the indemnitor of first resort with respect to the Specified Directors (i.e., its obligations to the Specified Directors are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by the Specified Directors are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by the Specified Directors and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent not prohibited by (and not merely to the extent affirmatively permitted

by) applicable law and as required by these Bylaws of the corporation (or any other agreement between the corporation and the Specified Directors), without regard to any rights the Specified Directors may have against the Fund Indemnitors and (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The corporation further agrees that no advancement or payment by the Fund Indemnitors on behalf of the Specified Directors with respect to any claim for which the Specified Directors have sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of the Specified Directors against the corporation.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the Delaware General Corporation Law, or by any other applicable law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director, officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the DGCL or any other applicable law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Section 46.

(h) Amendments. Any repeal or modification of this Section 46 shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

(i) Saving Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and executive officer to the full extent not prohibited by any applicable portion of this Section 46 that shall not have been invalidated, or by any other applicable law. If this Section 46 shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and executive officer to the full extent under any other applicable law.

(j) Certain Definitions. For the purposes of these Bylaws, the following definitions shall apply:

(1) The term “proceeding” shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(2) The term “expenses” shall be broadly construed and shall include, without limitation, court costs, attorneys’ fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(3) The term the “corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section 46 with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(4) References to a “director,” “executive officer,” “officer,” “employee,” or “agent” of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(5) References to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the corporation” shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the corporation” as referred to in this Section 46.

ARTICLE XII

NOTICES

Section 47. Notices .

(a) Notice to Stockholders. Written notice to stockholders of stockholder meetings shall be given as provided in Section 7 herein. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by law, written notice to stockholders for purposes other than stockholder meetings may be sent by United States mail or nationally recognized overnight courier, or by facsimile, telegraph or telex or by electronic mail or other electronic means.

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), or as provided for in Section 21 of these Bylaws. If such notice is not delivered personally, it shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) Notice to Person with Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(f) Notice to Stockholders Sharing an Address. Except as otherwise prohibited under DGCL, any notice given under the provisions of DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the corporation within 60 days of having been given notice by the corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the corporation.

ARTICLE XIII

AMENDMENTS; STOCKHOLDERS AGREEMENT

Section 48. Amendments. Subject to the consent requirements of Section D.5(d)(x) of Article IV of the Certificate of Incorporation, the Board of Directors is expressly empowered to adopt, amend or repeal Bylaws of the corporation. The stockholders shall also have power to adopt, amend or repeal the Bylaws of the corporation; *provided , however* , that, in addition to, the consent requirements in Section D.5(d)(x) of Article IV of the Certificate of Incorporation, and any vote of the holders of any class or series of stock of the corporation required by law, the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal any provision of the Bylaws of the corporation.

Section 49. Stockholders Agreement. These Bylaws are subject to the terms and conditions of the Stockholders Agreement. In the event that any provisions of these Bylaws are deemed to be inconsistent or in conflict with any provisions of the Stockholders Agreement, the provisions of the Stockholders Agreement shall prevail.

ARTICLE XIV

LOANS TO OFFICERS

Section 50. Loans to Officers. Except as otherwise prohibited under applicable law, the corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a Director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these Bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Exhibit 4.2

AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

among

TRINET GROUP, INC.,

GA TRINET, LLC

and

HR ACQUISITIONS, LLC

Dated: June 1, 2009

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AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT, dated as of June 1, 2009, among TriNet Group, Inc., a Delaware corporation (the " Company "), GA TriNet, LLC, a Delaware limited liability company (" GA TriNet "), and HR Acquisitions, LLC, a Delaware limited liability company (" HR Acquisitions ", and each of HR Acquisitions and GA TriNet, an " Investor ").

WHEREAS, the Company and GA TriNet entered into a Registration Rights Agreement, dated June 30, 2005 (the " Prior Agreement ") in connection with the issuance of shares of Series G Convertible Preferred Stock, par value $0.0001 per share, of the Company (the " Series G Preferred Stock ") to GA TriNet;

WHEREAS, the Company and the Investors entered into a Securities Purchase Agreement, dated as of the date hereof (the " Purchase Agreement "), pursuant to which the Company issued to (i) GA TriNet 3,594,968 shares of Series H Convertible Preferred Stock, par value $0.0001 per share, of the Company (the " Series H Preferred Stock "), and (ii) HR Acquisitions 530,018 shares of Series H Preferred Stock;

WHEREAS, concurrently herewith, the Company, the Investors and certain other parties are entering into the Stockholders Agreement (as hereinafter defined), pursuant to which the parties thereto have agreed to, among other things, certain first offer and tag-along rights, preemptive rights and certain corporate governance rights and obligations; and

WHEREAS, in order to induce the Investors to purchase the shares of Series H Preferred Stock, to extend certain rights to, and impose certain obligations on, the holders of Series H Preferred Stock pursuant to the Stockholders Agreement, and to amend certain terms of the Prior Agreement, the Company and the Investors have agreed to amend and restate the Prior Agreement in its entirety by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby amend and restate the Prior Agreement in its entirety and agree as follows:

1. Definitions . As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

" Affiliate " shall mean any Person who is an "affiliate" as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act. In addition, the following shall be deemed to be Affiliates of the General Atlantic Stockholders: (i) GAP 79 LP, GAP 84 LP, GAP Coinvestments III, GAP Coinvestments IV, GAPCO CDA, GapStar, GmbH Coinvestment and GAP-W, (ii) GA LLC, the members of GA LLC, GmbH Management, the stockholders of GmbH Management, the limited partners of each of GAP 79 LP, GAP 84 LP, GAPCO CDA or GmbH Coinvestment, and the members of GAP Coinvestments III, GAP Coinvestments IV, GapStar or GAP-W;

(iii) any Affiliate of GA LLC, the members of GA LLC, the limited partners of GAP 79 LP, GAP 84 LP, GAPCO CDA or GmbH Coinvestment, or the members of GAP Coinvestments III, GAP Coinvestments IV, GapStar or GAP-W; and (iv) any limited liability company or partnership a majority of whose members or partners, as the case may be, are members or former members of GA LLC or consultants or key employees of General Atlantic Service Company, LLC, a Delaware limited liability company and an Affiliate of GA LLC. In addition, the Investors, GAP 79 LP, GAP 84 LP, GAP Coinvestments III, GAP Coinvestments IV, GAPCO CDA, GapStar, GmbH Coinvestment and GAP-W shall be deemed to be Affiliates of one another. Notwithstanding anything to the contrary set forth in this Agreement, no portfolio company of GA LLC shall be deemed or treated as an Affiliate of the General Atlantic Stockholders.

" Agreement " mean this Agreement as the same may be amended, supplemented or modified in accordance with the terms hereof.

" Approved Underwriter " has the meaning set forth in Section 3(f).

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

" Business Day " means any day other than a Saturday, Sunday or other day on which commercial banks in the State of New York are authorized or required by law or executive order to close.

" Closing Price " means, with respect to the Registrable Securities, as of the date of determination, (a) if the Registrable Securities are listed on a national securities exchange, the closing price per share of a Registrable Security on such date quoted on Bloomberg or a similar platform or, if no such closing price on such date is quoted on Bloomberg or a similar platform, the average of the closing bid and asked prices on such date, as officially reported on the principal national securities exchange on which the Registrable Securities are then listed or admitted to trading; or (b) if the Registrable Securities are not then listed or admitted to trading on any national securities exchange, the last sale price or, if such last sale price is not reported, the average of the high bid and low asked prices in the over-the-counter market, as reported by The Nasdaq Stock Market or such other system then in use; or (c) if on any such date the Registrable Securities are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Registrable Securities selected by the Company; or (d) if none of (a), (b) or (c) is applicable, a market price per share determined in good faith by the Board of Directors or, if such determination is not satisfactory to the Designated Holder for whom such determination is being made, by a nationally recognized investment banking firm selected by the Company and such Designated Holder, the expenses for which shall be borne equally by the Company and such Designated Holder. If trading is conducted on a continuous basis on any exchange, then the closing price shall be at 4:00 P.M. New York City time.

" Commission " means the Securities and Exchange Commission or any successor agency then having jurisdiction to enforce the Securities Act.

" Common Stock " means the Common Stock, par value $0.0001 per share, of the Company or any other capital stock of the Company into which such stock is reclassified or reconstituted and any other common stock of the Company.

" Common Stock Equivalents " means any security or obligation which is by its terms, directly or indirectly, convertible into or exchangeable or exercisable for shares of Common Stock, including, without limitation the Preferred Stock and any option, warrant or other subscription or purchase right with respect to Common Stock or any Common Stock Equivalent.

" Company " has the meaning set forth in the preamble to this Agreement.

" Company Underwriter " has the meaning set forth in Section 4(a).

" Demand Registration " has the meaning set forth in Section 3(a).

" Designated Holder " means each of the General Atlantic Stockholders and any transferee of any of them to whom Registrable Securities have been transferred in accordance with Section 10(f) of this Agreement, other than a transferee to whom Registrable Securities have been transferred after the IPO Closing Date pursuant to a Registration Statement under the Securities Act or Rule 144 or Regulation S under the Securities Act (or any successor rule thereto).

" Disclosure Package " means, with respect to any offering of securities, (a) the preliminary prospectus, (b) each Free Writing Prospectus and (c) all other information, in each case, that is deemed, under Rule 159 under the Securities Act, to have been conveyed to purchasers of securities at the time of sale of such securities (including a contract of sale).

" Exchange Act " means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder.

" FINRA " means the Financial Industry Regulatory Authority.

" Free Writing Prospectus " means any "free writing prospectus" as defined in Rule 405 under the Securities Act.

" GA LLC " means General Atlantic LLC, a Delaware limited liability company and any successor to such entity.

" GA TriNet " has the meaning set forth in the preamble to this Agreement.

" GAP 79 LP " means General Atlantic Partners 79, L.P., a Delaware limited partnership.

" GAP 84 LP " means General Atlantic Partners 84, L.P., a Delaware limited partnership.

" GAPCO CDA " means GAP Coinvestments CDA, L.P., a Delaware limited partnership.

" GAP Coinvestments III " means GAP Coinvestments III, LLC, a Delaware limited liability company.

" GAP Coinvestments IV " means GAP Coinvestments IV, LLC, a Delaware limited liability company.

" GapStar " means GapStar, LLC, a Delaware limited liability company.

" GAP-W " means GAP-W, LLC, a Delaware limited liability company.

" General Atlantic Stockholders " means the Investors, any Subsequent General Atlantic Purchaser and any Permitted Transferee (as defined in the Stockholders Agreement) thereof to whom Registrable Securities are transferred in accordance with Section 2.2 of the Stockholders Agreement (so long as such agreement is in effect) and Section 10(f) of this Agreement.

" GmbH Coinvestment " means GAPCO GmbH & Co. KG, a German limited partnership.

" GmbH Management " means GAPCO Management GmbH, a German company with limited liability and the general partner of GmbH Coinvestment, and any successor to such entity.

" Holders' Counsel " has the meaning set forth in Section 7(a)(i).

" HR Acquisitions " has the meaning set forth in the preamble to this Agreement.

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

" Indemnified Party " has the meaning set forth in Section 8(c).

" Indemnifying Party " has the meaning set forth in Section 8(c).

" Initial Public Offering " means the initial public offering of the shares of Common Stock of the Company pursuant to an effective Registration Statement filed under the Securities Act.

" Initiating Holders " has the meaning set forth in Section 3(a).

" Inspector " has the meaning set forth in Section 7(a)(vii).

" Investor " has the meaning set forth in the preamble to this Agreement.

" IPO Closing Date " means the date upon which the Company closes its Initial Public Offering.

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

" Market Price " means, on any date of determination, the average of the daily Closing Price of the Registrable Securities for the immediately preceding 30 days on which the national securities exchanges are open for trading.

" Person " means any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, government (or an agency or political subdivision thereof) or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

" Preferred Stock " means, collectively, the Series G Preferred Stock and the Series H Preferred Stock.

" Prior Agreement " has the meaning set forth in the recitals to this Agreement.

" Purchase Agreement " has the meaning set forth in the recitals to this Agreement.

" Records " has the meaning set forth in Section 7(a)(vii).

" Registrable Securities " means each of the following: (a) any and all shares of Common Stock owned by the Designated Holders or issued or issuable upon conversion of shares of Preferred Stock and any shares of Common Stock issued or issuable upon conversion of any shares of preferred stock or exercise of any warrants acquired by any of the Designated Holders after the date hereof, (b) any other shares of Common Stock acquired or owned by any of the Designated Holders prior to the IPO Closing Date, or acquired or owned by any of the Designated Holders after the IPO Closing Date if such Designated Holder is an Affiliate of the Company and (c) any shares of Common Stock issued or issuable to any of the Designated Holders with respect to the Registrable Securities by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise and any shares of Common Stock or voting common stock issuable upon conversion, exercise or exchange thereof.

" Registration Expenses " has the meaning set forth in Section 7(d).

" Registration Statement " means a Registration Statement filed pursuant to the Securities Act.

" S-3 Initiating Holders " has the meaning set forth in Section 5(a).

" S-3 Registration " has the meaning set forth in Section 5(a).

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

" Series G Preferred Stock " has the meaning set forth in the recitals to this Agreement.

" Series H Preferred Stock " has the meaning set forth in the recitals to this Agreement.

" Stockholders Agreement " means the Amended and Restated Stockholders Agreement, dated as of the date hereof, among the Company, the Investors and the other parties thereto, as the same may be amended and/or restated from time to time.

" Subsequent General Atlantic Purchaser " means any Affiliate of GA LLC that, after the date hereof, acquires any shares of Common Stock, Preferred Stock or Common Stock Equivalents.

" Valid Business Reason " has the meaning set forth in Section 3(a).

2. General; Securities Subject to this Agreement .

(a) Grant of Rights . The Company hereby grants registration rights to the Designated Holders upon the terms and conditions set forth in this Agreement.

(b) Registrable Securities . For the purposes of this Agreement, Registrable Securities will cease to be Registrable Securities, when (i) a Registration Statement covering such Registrable Securities has been declared effective under the Securities Act by the Commission and such Registrable Securities have been disposed of pursuant to such effective Registration Statement, (ii) (x) the entire amount of the Registrable Securities owned by a Designated Holder may be sold in a single sale, in the opinion of counsel satisfactory to the Company and such Designated Holder, each in their reasonable judgment, without any limitation as to volume pursuant to Rule 144 (or any successor provision then in effect) under the Securities Act and (y) such Designated Holder owning such Registrable Securities owns less than 1% of the outstanding shares of Common Stock on a fully diluted basis, or (iii) the Registrable Securities are proposed to be sold or distributed by a Person not entitled to the registration rights granted by this Agreement.

(c) Holders of Registrable Securities . A Person is deemed to be a holder of Registrable Securities whenever such Person owns of record Registrable Securities, or holds an option to purchase, or a security convertible into or exercisable or exchangeable for, Registrable Securities whether or not such acquisition or conversion has actually been effected. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company may act upon the basis of the instructions, notice or election received from the

registered owner of such Registrable Securities. Registrable Securities issuable upon exercise of an option or upon conversion of another security shall be deemed outstanding for the purposes of this Agreement.

3. Demand Registration .

(a) Request for Demand Registration . At any time after the date 180 days following the IPO Closing Date, the General Atlantic Stockholders (the " Initiating Holders "), may make a written request to the Company to register, and the Company shall register, under the Securities Act (other than pursuant to a Registration Statement on Form S-4 or S-8 or any successor thereto) (a " Demand Registration "), the number of Registrable Securities stated in such request; provided , however , that the anticipated aggregate offering price, net of underwriting discounts and commissions, would exceed $10,000,000, and provided further that the Company shall not be obligated to effect more than three such Demand Registrations for the General Atlantic Stockholders. For purposes of the preceding sentence, two or more Registration Statements filed in response to one demand shall be counted as one Demand Registration. If the Board of Directors, in its good faith judgment, determines that any registration of Registrable Securities should not be made or continued because it would materially interfere with any material financing, acquisition, corporate reorganization or merger or other material transaction involving the Company or because it would otherwise be seriously detrimental to the Company and its stockholders to effect a registration of Registrable Securities at that time (a " Valid Business Reason "), the Company may (x) postpone filing a Registration Statement relating to a Demand Registration until such Valid Business Reason no longer exists, but in no event for more than 90 days, and (y) in case a Registration Statement has been filed relating to a Demand Registration, if the Valid Business Reason has not resulted from actions taken by the Company, the Company, upon the approval of a majority of the Board of Directors, such majority to include at least one General Atlantic Director (as defined in the Stockholders Agreement), may cause such Registration Statement to be withdrawn and its effectiveness terminated or may postpone amending or supplementing such Registration Statement. The Company shall give written notice of its determination to postpone or withdraw a Registration Statement and of the fact that the Valid Business Reason for such postponement or withdrawal no longer exists, in each case, promptly after the occurrence thereof. Notwithstanding anything to the contrary contained herein, the Company may not postpone or withdraw a filing under this Section 3(a) more than once in any 12 month period. Each request for a Demand Registration by the Initiating Holders shall state the amount of the Registrable Securities proposed to be sold and the intended method of disposition thereof.

(b) Incidental or "Piggy-Back" Rights with Respect to a Demand Registration . Each of the Designated Holders (other than Initiating Holders which have requested a registration under Section 3(a)) may offer its or his Registrable Securities under any Demand Registration pursuant to this Section 3(b). Within five days after the receipt of a request for a Demand Registration from an Initiating Holder, the Company shall (i) give written notice thereof to all of the Designated Holders (other than

Initiating Holders which have requested a registration under Section 3(a)) and (ii) subject to Section 3(e), include in such registration all of the Registrable Securities held by such Designated Holders from whom the Company has received a written request for inclusion therein within 10 days of the receipt by such Designated Holders of such written notice referred to in clause (i) above. Each such request by such Designated Holders shall specify the number of Registrable Securities proposed to be registered. The failure of any Designated Holder to respond within such 10-day period referred to in clause (ii) above shall be deemed to be a waiver of such Designated Holder's rights under this Section 3 with respect to such Demand Registration. Any Designated Holder may waive its rights under this Section 3 prior to the expiration of such 10-day period by giving written notice to the Company, with a copy to the Initiating Holders. If a Designated Holder sends the Company a written request for inclusion of part or all of such Designated Holder's Registrable Securities in a registration, such Designated Holder shall not be entitled to withdraw or revoke such request without the prior written consent of the Company in its sole discretion unless, as a result of facts or circumstances arising after the date on which such request was made relating to the Company or to market conditions, such Designated Holder reasonably determines that participation in such registration would have a material adverse effect on such Designated Holder.

(c) Effective Demand Registration . The Company shall use its reasonable best efforts to cause any such Demand Registration to become and remain effective not later than 75 days after it receives a request under Section 3(a) hereof. A registration shall not constitute a Demand Registration until it has become effective and has been continuously effective for the lesser of (i) the period during which all Registrable Securities registered in the Demand Registration are sold and (ii) 120 days; provided , however , that a registration shall not constitute a Demand Registration if (x) after such Demand Registration has become effective, such registration or the related offer, sale or distribution of Registrable Securities thereunder is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason not attributable to the Initiating Holders and such interference is not thereafter eliminated or (y) the conditions specified in the underwriting agreement, if any, entered into in connection with such Demand Registration are not satisfied or waived, other than by reason of a failure by the Initiating Holder.

(d) Expenses . The Company shall pay all Registration Expenses in connection with a Demand Registration, whether or not such Demand Registration becomes effective.

(e) Underwriting Procedures . If the Company or the Initiating Holders holding a majority of the Registrable Securities held by all of the Initiating Holders so elect, the Company shall use its reasonable best efforts to cause such Demand Registration to be in the form of a firm commitment underwritten offering and the managing underwriter or underwriters selected for such offering shall be the Approved Underwriter selected in accordance with Section 3(f). In connection with any Demand Registration under this Section 3 involving an underwritten offering, none of the

Registrable Securities held by any Designated Holder making a request for inclusion of such Registrable Securities pursuant to Section 3(b) hereof shall be included in such underwritten offering unless such Designated Holder accepts the terms of the offering as agreed upon by the Company, the Initiating Holders and the Approved Underwriter, and then only in such quantity as will not, in the opinion of the Approved Underwriter, jeopardize the success of such offering by the Initiating Holders. If the Approved Underwriter advises the Company that the aggregate amount of such Registrable Securities requested to be included in such offering is sufficiently large to have a material adverse effect on the success of such offering, then the Company shall include in such registration only the aggregate amount of Registrable Securities that the Approved Underwriter believes may be sold without any such material adverse effect and shall reduce the amount of Registrable Securities to be included in such registration, first as to the Company, second as to the Designated Holders (who are not Initiating Holders and who requested to participate in such registration pursuant to Section 3(b) hereof) as a group, if any, and third as to the Initiating Holders as a group, *pro rata* within each group based on the number of Registrable Securities owned by each such Designated Holder or Initiating Holder, as the case may be.

(f) Selection of Underwriters . If any Demand Registration or S-3 Registration, as the case may be, of Registrable Securities is in the form of an underwritten offering, the Company shall select and obtain an investment banking firm of national reputation to act as the managing underwriter of the offering (the " Approved Underwriter "); provided , however , that the Approved Underwriter shall, in any case, also be approved by the Initiating Holders or S-3 Initiating Holders, as the case may be, holding a majority of the Registrable Securities requested to be registered by such Initiating Holders or S-3 Initiating Holders, as the case may be.

4. Incidental or "Piggy-Back" Registration .

(a) Request for Incidental Registration . If at any time the Company proposes to file a Registration Statement under the Securities Act with respect to an offering by the Company for its own account (other than a Registration Statement on Form S-4 or S-8 or any successor thereto) or for the account of any stockholder of the Company other than the Designated Holders, including the Initial Public Offering, then the Company shall give written notice of such proposed filing to each of the Designated Holders at least 20 days before the anticipated filing date, and such notice shall describe the proposed registration and distribution and offer such Designated Holders the opportunity to register the number of Registrable Securities as each such Designated Holder may request (an " Incidental Registration "). The Company shall use its reasonable best efforts (within 20 days of the notice provided for in the preceding sentence) to cause the managing underwriter or underwriters in the case of a proposed underwritten offering (the " Company Underwriter ") to permit each of the Designated Holders who have requested in writing to participate in the Incidental Registration to include its or his Registrable Securities in such offering on the same terms and conditions as the securities of the Company or the account of such other stockholder, as the case may be, included therein. In connection with any Incidental Registration under this Section 4(a) involving

an underwritten offering, the Company shall not be required to include any Registrable Securities in such underwritten offering unless the Designated Holders thereof accept the terms of the underwritten offering as agreed upon between the Company, such other stockholders, if any, and the Company Underwriter, and then only in such quantity as the Company Underwriter believes will not jeopardize the success of the offering by the Company. If the Company Underwriter determines in good faith that marketing factors require a limitation in the Incidental Registration of the number of shares to be included in such Incidental Registration, then the Incidental Registration shall cover, first , all of the securities to be offered for the account of the Company; second , the Registrable Securities to be offered for the account of the Designated Holders pursuant to this Section 4, *pro rata* based on the number of Registrable Securities owned by each such Designated Holder; and third , any other securities requested to be included in such offering.

(b) Expenses . The Company shall bear all Registration Expenses in connection with any Incidental Registration pursuant to this Section 4, whether or not such Incidental Registration becomes effective.

5. Form S-3 Registration .

(a) Request for a Form S-3 Registration . Upon the Company becoming eligible for use of Form S-3 (or any successor form thereto) under the Securities Act in connection with a public offering of its securities, in the event that the Company shall receive from one or more of the General Atlantic Stockholders (the " S-3 Initiating Holders "), a written request that the Company register, under the Securities Act on Form S-3 (or any successor form then in effect) (an " S-3 Registration "), all or a portion of the Registrable Securities owned by such S-3 Initiating Holders, the Company shall give written notice of such request to all of the Designated Holders (other than S-3 Initiating Holders which have requested an S-3 Registration under this Section 5(a)) at least 10 days before the anticipated filing date of such Form S-3, and such notice shall describe the proposed registration and offer such Designated Holders the opportunity to register the number of Registrable Securities as each such Designated Holder may request in writing to the Company, given within 5 days after their receipt from the Company of the written notice of such registration. If requested by the S-3 Initiating Holders, such S-3 Registration shall be for an offering on a continuous basis pursuant to Rule 415 under the Securities Act. With respect to each S-3 Registration, the Company shall, subject to Section 5(b), (i) include in such offering the Registrable Securities of the S-3 Initiating Holders and (ii) use its reasonable best efforts to (x) cause such registration pursuant to this Section 5(a) to become and remain effective as soon as practicable, but in any event not later than 45 days after it receives a request therefor and (y) include in such offering the Registrable Securities of the Designated Holders (other than S-3 Initiating Holders which have requested an S-3 Registration under this Section 5(a)) who have requested in writing to participate in such registration on the same terms and conditions as the Registrable Securities of the S-3 Initiating Holders included therein.

(b) Form S-3 Underwriting Procedures . If the S-3 Initiating Holders holding a majority of the Registrable Securities held by all of the S-3 Initiating Holders so elect, the Company shall use its reasonable best efforts to cause such S-3 Registration pursuant to this Section 5 to be in the form of a firm commitment underwritten offering and the managing underwriter or underwriters selected for such offering shall be the Approved Underwriter selected in accordance with Section 3(f). In connection with any S-3 Registration under Section 5(a) involving an underwritten offering, the Company shall not be required to include any Registrable Securities in such underwritten offering unless the Designated Holders thereof accept the terms of the underwritten offering as agreed upon between the Company, the Approved Underwriter and the S-3 Initiating Holders, and then only in such quantity as such underwriter believes will not jeopardize the success of such offering by the S-3 Initiating Holders. If the Approved Underwriter believes that the registration of all or part of the Registrable Securities which the S-3 Initiating Holders and the other Designated Holders have requested to be included would materially adversely affect the success of such public offering, then the Company shall be required to include in the underwritten offering, to the extent of the amount that the Approved Underwriter believes may be sold without causing such adverse effect, first , all of the Registrable Securities to be offered for the account of the S-3 Initiating Holders, *pro rata* based on the number of Registrable Securities owned by such S-3 Initiating Holders; second , the Registrable Securities to be offered for the account of the other Designated Holders who requested inclusion of their Registrable Securities pursuant to Section 5(a), *pro rata* based on the number of Registrable Securities owned by such Designated Holders; and third , any other securities requested to be included in such offering.

(c) Limitations on Form S-3 Registrations . If the Board of Directors has a Valid Business Reason, the Company may (x) postpone filing a Registration Statement relating to a S-3 Registration until such Valid Business Reason no longer exists, but in no event for more than 90 days, and (y) in case a Registration Statement has been filed relating to a S-3 Registration, if the Valid Business Reason has not resulted from actions taken by the Company, the Company, upon the approval of a majority of the Board of Directors, such majority to include at least one General Atlantic Director, may cause such Registration Statement to be withdrawn and its effectiveness terminated or may postpone amending or supplementing such Registration Statement. The Company shall give written notice of its determination to postpone or withdraw a Registration Statement and of the fact that the Valid Business Reason for such postponement or withdrawal no longer exists, in each case, promptly after the occurrence thereof. Notwithstanding anything to the contrary contained herein, the Company may not postpone or withdraw a filing due to a Valid Business Reason more than once in any 12 month period. In addition, the Company shall not be required to effect any registration pursuant to Section 5(a), (i) within 90 days after the effective date of any other Registration Statement of the Company, (ii) if within the 12 month period preceding the date of such request, the Company has effected two registrations on Form S-3 pursuant to Section 5(a), (iii) if Form S-3 is not available for such offering by the S-3 Initiating Holders or (iv) if the S-3 Initiating Holders, together with the Designated Holders (other than S-3 Initiating Holders which have requested an S-3 Registration

under Section 5(a)) registering Registrable Securities in such registration, propose to sell their Registrable Securities at an aggregate price (calculated based upon the Market Price of the Registrable Securities on the proposed date of filing of the Form S-3 with respect to such Registrable Securities) to the public of less than $5,000,000.

(d) Expenses . The Company shall bear all Registration Expenses in connection with any S-3 Registration pursuant to this Section 5, whether or not such S-3 Registration becomes effective.

(e) No Demand Registration . No registration requested by any S-3 Initiating Holder pursuant to this Section 5 shall be deemed a Demand Registration pursuant to Section 3.

6. Holdback Agreements .

(a) Restrictions on Public Sale by Designated Holders . In the event of the Initial Public Offering, to the extent (i) requested by the Company's managing underwriter of its Initial Public Offering, and (ii) all of the Company's officers, directors and holders in excess of 1% of its outstanding capital stock execute agreements identical to those referred to in this Section 6(a), each Designated Holder agrees (x) not to effect any public sale or distribution of any Registrable Securities or of any securities convertible into or exchangeable or exercisable for such Registrable Securities, including a sale pursuant to Rule 144 under the Securities Act, or offer to sell, contract to sell (including without limitation any short sale), grant any option to purchase or enter into any hedging or similar transaction with the same economic effect as a sale any Registrable Securities and (y) not to make any request for a Demand Registration or S-3 Registration under this Agreement, during the 180 day period or such shorter period, if any, mutually agreed upon by such Designated Holder and the requesting party beginning on the effective date of the Registration Statement (except as part of such registration) for such Initial Public Offering. No Designated Holder of Registrable Securities subject to this Section 6(a) shall be released from any obligation under any agreement, arrangement or understanding entered into pursuant to this Section 6(a) unless all other Designated Holders of Registrable Securities subject to the same obligation are also released.

(b) Restrictions on Public Sale by the Company . The Company agrees not to effect any public sale or distribution of any of its securities, or any securities convertible into or exchangeable or exercisable for such securities (except pursuant to registrations on Form S-4 or S-8 or any successor thereto), during the period beginning on the effective date of any Registration Statement in which the Designated Holders of Registrable Securities are participating and ending on the earlier of (i) the date on which all Registrable Securities registered on such Registration Statement are sold and (ii) 120 days after the effective date of such Registration Statement (except as part of such registration).

7. Registration Procedures .

(a) Obligations of the Company . Whenever registration of Registrable Securities has been requested pursuant to Section 3, Section 4 or Section 5 of this Agreement, the Company shall use its reasonable best efforts to effect the registration and sale of such Registrable Securities in accordance with the intended method of distribution thereof as quickly as practicable, and in connection with any such request, the Company shall, as expeditiously as possible:

(i) prepare and file with the Commission a Registration Statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of such Registrable Securities in accordance with the intended method of distribution thereof, and cause such Registration Statement to become effective; provided , however , that (x) before filing a Registration Statement or prospectus or any amendments or supplements thereto, or before using any Free Writing Prospectus, the Company shall provide counsel selected by the Designated Holders holding a majority of the Registrable Securities being registered in such registration (" Holders Counsel ") and any other Inspector with an adequate and appropriate opportunity to review and comment on such Registration Statement and each prospectus included therein (and each amendment or supplement thereto) and each Free Writing Prospectus to be filed with the Commission, subject to such documents being under the Company's control, and (y) the Company shall notify the Holders' Counsel and each seller of Registrable Securities of any stop order issued or threatened by the Commission and take all action required to prevent the entry of such stop order or to remove it if entered;

(ii) prepare and file with the Commission such amendments and supplements to such Registration Statement and the prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for the lesser of (x) 120 days and (y) such shorter period which will terminate when all Registrable Securities covered by such Registration Statement have been sold; provided , that if the S-3 Initiating Holders have requested that an S-3 Registration be for an offering on a continuous basis pursuant to Rule 415 under the Securities Act, then the Company shall keep such Registration Statement effective until the earlier of (a) the date on which all Registrable Securities covered by such Registration Statement have been sold and (b) the three year anniversary of the date on which such Registration Statement was first declared effective by the Commission; and shall comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement;

(iii) furnish to each seller of Registrable Securities, prior to filing a Registration Statement, at least one copy of such Registration Statement as is proposed to be filed, and thereafter such number of copies of such Registration Statement, each amendment and supplement thereto (in each case including all exhibits thereto), and the prospectus included in such Registration Statement (including each preliminary prospectus), any prospectus filed under Rule 424 under the Securities Act and any Free Writing Prospectus as each such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(iv) register or qualify such Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as any seller of Registrable Securities may request, and to continue such qualification in effect in such jurisdiction for as long as permissible pursuant to the laws of such jurisdiction, or for as long as any such seller requests or until all of such Registrable Securities are sold, whichever is shortest, and do any and all other acts and things which may be reasonably necessary or advisable to enable any such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller; provided , however , that the Company shall not be required to (x) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 7(a)(iv), (y) subject itself to taxation in any such jurisdiction or (z) consent to general service of process in any such jurisdiction;

(v) (x) notify each seller of Registrable Securities of the existence of any fact or happening of any event of which the Company has knowledge which makes any statement of a material fact in a Registration Statement, related prospectus or Free Writing Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue or which would require the making of any changes in such Registration Statement, prospectus or Free Writing Prospectus in order that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of such prospectus or Free Writing Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (y) the Company shall promptly prepare a supplement to, or amendment of, such Registration Statement, related prospectus or Free Writing Prospectus and furnish to each seller of Registrable Securities a reasonable number of copies of such supplement to, or amendment of, such Registration Statement, prospectus or Free Writing Prospectus as may be necessary so that, after delivery to the purchasers of such Registrable Securities, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of such prospectus or Free Writing Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vi) enter into and perform customary agreements (including an underwriting agreement in customary form with the Approved Underwriter or Company Underwriter, if any, selected as provided in Section 3, Section 4 or Section 5, as the case may be) and take such other actions as are prudent and reasonably required in order to expedite or facilitate the disposition of such Registrable Securities, including causing its officers to participate in "road shows" and other information meetings organized by the Approved Underwriter or Company Underwriter;

(vii) make available at reasonable times for inspection by any seller of Registrable Securities, any managing underwriter participating in any disposition of such Registrable Securities pursuant to a Registration Statement, Holders' Counsel and any attorney, accountant or other agent retained by any such seller or any managing underwriter (each, an " Inspector " and collectively, the " Inspectors "), all financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries (collectively, the " Records ") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's and its subsidiaries' officers, directors and employees, and the independent public accountants of the Company, to supply all information reasonably requested by any such Inspector in connection with such Registration Statement. Records that the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors (and the Inspectors shall confirm their agreement in writing in advance to the Company if the Company shall so request) unless (x) the disclosure of such Records is necessary, in the Company's judgment, to avoid or correct a misstatement or omission in the Registration Statement, (y) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction after exhaustion of all appeals therefrom or (z) the information in such Records was known to the Inspectors on a non-confidential basis prior to its disclosure by the Company or has been made generally available to the public. Each seller of Registrable Securities agrees that it shall, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential;

(viii) if such sale is pursuant to an underwritten offering, obtain "cold comfort" letters dated the effective date of the Registration Statement and the date of the closing under the underwriting agreement from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by "cold comfort" letters as the managing underwriter reasonably requests;

(ix) furnish, at the request of any seller of Registrable Securities on the date such securities are delivered to the underwriters for sale pursuant to such registration or, if such securities are not being sold through underwriters, on the date the Registration Statement with respect to such securities becomes effective, an opinion, dated such date, of counsel representing the Company for the purposes of such registration, addressed to the underwriters, if any, and to the seller making such request, covering such legal matters with respect to the registration in respect of which such opinion is being given as the underwriters, if any, and such seller may reasonably request and are customarily included in such opinions;

(x) comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably

practicable but no later than 15 months after the effective date of the Registration Statement, an earnings statement covering a period of 12 months beginning after the effective date of the Registration Statement, in a manner which satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(xi) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed, provided that the applicable listing requirements are satisfied;

(xii) keep Holders' Counsel advised in writing as to the initiation and progress of any registration under Section 3, Section 4 or Section 5 hereunder;

(xiii) cooperate with each seller of Registrable Securities and each underwriter participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the FINRA; and

(xiv) take all other steps reasonably necessary to effect the registration of the Registrable Securities contemplated hereby.

(b) Seller Information . The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish, and such seller shall furnish, to the Company such information regarding the distribution of such securities as the Company may from time to time reasonably request in writing.

(c) Notice to Discontinue . Each Designated Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 7(a)(v), such Designated Holder shall forthwith discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until such Designated Holder's receipt of the copies of the supplemented or amended prospectus or Free Writing Prospectus contemplated by Section 7(a)(v) and, if so directed by the Company, such Designated Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Designated Holder's possession, of the prospectus or Free Writing Prospectus covering such Registrable Securities which is current at the time of receipt of such notice. If the Company shall give any such notice, the Company shall extend the period during which such Registration Statement shall be maintained effective pursuant to this Agreement (including, without limitation, the period referred to in Section 7(a)(ii)) by the number of days during the period from and including the date of the giving of such notice pursuant to Section 7(a)(v) to and including the date when sellers of such Registrable Securities under such Registration Statement shall have received the copies of the supplemented or amended prospectus or Free Writing Prospectus contemplated by and meeting the requirements of Section 7(a)(v).

(d) Registration Expenses . The Company shall pay all expenses arising from or incident to its performance of, or compliance with, this

Agreement, including, without limitation, (i) Commission, stock exchange and FINRA registration and filing fees, (ii) all fees and expenses incurred in complying with securities or "blue sky" laws (including reasonable fees, charges and disbursements of counsel to any underwriter incurred in connection with "blue sky" qualifications of the Registrable Securities as may be set forth in any underwriting agreement), (iii) all printing, messenger and delivery expenses, (iv) the fees, charges and expenses of counsel to the Company and of its independent public accountants and any other accounting fees, charges and expenses incurred by the Company (including, without limitation, any expenses arising from any "cold comfort" letters or any special audits incident to or required by any registration or qualification) and all reasonable legal fees, charges and expenses incurred, in the case of a Demand Registration or an S-3 Registration, by the Initiating Holders or the S-3 Initiating Holders, as the case may be, and (v) any liability insurance or other premiums for insurance obtained in connection with any Demand Registration or piggy-back registration thereon, Incidental Registration or S-3 Registration pursuant to the terms of this Agreement, regardless of whether such Registration Statement is declared effective. All of the expenses described in the preceding sentence of this Section 7(d) are referred to herein as " Registration Expenses ." The Designated Holders of Registrable Securities sold pursuant to a Registration Statement shall bear the expense of any broker's commission or underwriter's discount or commission relating to registration and sale of such Designated Holders' Registrable Securities and, subject to clause (iv) above, shall bear the fees and expenses of their own counsel.

8. Indemnification; Contribution .

(a) Indemnification by the Company . The Company agrees to indemnify and hold harmless each Designated Holder, its partners, directors, officers, Affiliates and each Person who controls (within the meaning of Section 15 of the Securities Act) such Designated Holder from and against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) (each, a " Liability " and collectively, " Liabilities "), arising out of or based upon (a) any untrue, or allegedly untrue, statement of a material fact contained in any Disclosure Package, Registration Statement, prospectus, Free Writing Prospectus or in any amendment or supplement thereto; and (b) the omission or alleged omission to state, in any Disclosure Package, Registration Statement, prospectus, Free Writing Prospectus or in any amendment or supplement thereto, any material fact required to be stated therein or necessary to make the statements therein not misleading under the circumstances such statements were made, except insofar as such Liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission contained in such Disclosure Package, Registration Statement, prospectus, Free Writing Prospectus or in any amendment or supplement thereto in reliance and in conformity with information concerning such Designated Holder furnished in writing to the Company by such Designated Holder expressly for use therein, including, without limitation, the information furnished to the Company pursuant to Section 8(b). The Company shall also provide customary indemnities to any underwriters of the Registrable Securities, their officers, directors and employees and each Person who controls such underwriters (within the meaning of Section 15 of the Securities Act) to the same extent as provided above with respect to the indemnification of the Designated Holders of Registrable Securities.

(b) Indemnification by Designated Holders . In connection with any Registration Statement in which a Designated Holder is participating pursuant to Section 3, Section 4 or Section 5 hereof, each such Designated Holder shall promptly furnish to the Company in writing such information with respect to such Designated Holder as the Company may reasonably request or as may be required by law for use in connection with any such Registration Statement or prospectus and all information required to be disclosed in order to make the information previously furnished to the Company by such Designated Holder not materially misleading or necessary to cause such Registration Statement not to omit a material fact with respect to such Designated Holder necessary in order to make the statements therein not misleading. Each Designated Holder agrees to indemnify and hold harmless the Company, any underwriter retained by the Company and each Person who controls the Company or such underwriter (within the meaning of Section 15 of the Securities Act) to the same extent as the foregoing indemnity from the Company to the Designated Holders, but only if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with information with respect to such Designated Holder furnished in writing to the Company by such Designated Holder expressly for use in such Registration Statement, the Disclosure Package, Free Writing Prospectus or prospectus, including, without limitation, the information furnished to the Company pursuant to this Section 8(b); provided , however , that the total amount to be indemnified by such Designated Holder pursuant to this Section 8(b) shall be limited to the net proceeds (after deducting the underwriters' discounts and commissions) received by such Designated Holder in the offering to which the Registration Statement, Disclosure Package, Free Writing Prospectus or prospectus relates.

(c) Conduct of Indemnification Proceedings . Any Person entitled to indemnification hereunder (the " Indemnified Party ") agrees to give prompt written notice to the indemnifying party (the " Indemnifying Party ") after the receipt by the Indemnified Party of any written notice of the commencement of any action, suit, proceeding or investigation or threat thereof made in writing for which the Indemnified Party intends to claim indemnification or contribution pursuant to this Agreement; provided , however , that the failure so to notify the Indemnifying Party shall not relieve the Indemnifying Party of any Liability that it may have to the Indemnified Party hereunder (except to the extent that the Indemnifying Party is materially prejudiced or otherwise forfeits substantive rights or defenses by reason of such failure). If notice of commencement of any such action is given to the Indemnifying Party as above provided, the Indemnifying Party shall be entitled to participate in and, to the extent it may wish, jointly with any other Indemnifying Party similarly notified, to assume the defense of such action at its own expense, with counsel chosen by it and reasonably satisfactory to such Indemnified Party. The Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be paid by the Indemnified Party unless (i) the Indemnifying Party agrees to pay the same, (ii) the Indemnifying Party fails to assume

the defense of such action with counsel reasonably satisfactory to the Indemnified Party or (iii) the named parties to any such action (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and such parties have been advised by such counsel that either (x) representation of such Indemnified Party and the Indemnifying Party by the same counsel would be inappropriate under applicable standards of professional conduct or (y) there may be one or more legal defenses available to the Indemnified Party which are different from or additional to those available to the Indemnifying Party. In any of such cases, the Indemnifying Party shall not have the right to assume the defense of such action on behalf of such Indemnified Party, it being understood, however, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all Indemnified Parties. No Indemnifying Party shall be liable for any settlement entered into without its written consent, which consent shall not be unreasonably withheld. No Indemnifying Party shall, without the consent of such Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which such Indemnified Party is a party and indemnity has been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability for claims that are the subject matter of such proceeding.

(d) Contribution .

(i) If the indemnification provided for in this Section 8 from the Indemnifying Party is unavailable to an Indemnified Party hereunder in respect of any Liabilities referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions which resulted in such Liabilities, as well as any other relevant equitable considerations. The relative faults of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the Liabilities referred to above shall be deemed to include, subject to the limitations set forth in Sections 8(a), 8 (b) and 8(c), any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding; provided that the total amount to be contributed by such Designated Holder shall be limited to the net proceeds (after deducting the underwriters' discounts and commissions) received by such Designated Holder in the offering.

(ii) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by *pro rata* allocation or by any other method of allocation which does not take account of the equitable considerations referred to in clause (i) above. No Person guilty 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.

9. Rule 144 . The Company covenants that from and after the IPO Closing Date it shall (a) file any reports required to be filed by it under the Exchange Act and (b) take such further action as each Designated Holder may reasonably request (including providing any information necessary to comply with Rule 144 under the Securities Act), all to the extent required from time to time to enable such Designated Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such rule may be amended from time to time, or Regulation S under the Securities Act or (ii) any similar rules or regulations hereafter adopted by the Commission. The Company shall, upon the request of any Designated Holder, deliver to such Designated Holder a written statement as to whether it has complied with such requirements.

10. Miscellaneous .

(a) Recapitalizations, Exchanges, etc. The provisions of this Agreement shall apply to the full extent set forth herein with respect to (i) the shares of Common Stock, (ii) any and all shares of voting common stock of the Company into which the shares of Common Stock are converted, exchanged or substituted in any recapitalization or other capital reorganization by the Company and (iii) any and all equity securities of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in conversion of, in exchange for or in substitution of, the shares of Common Stock and shall be appropriately adjusted for any stock dividends, splits, reverse splits, combinations, recapitalizations and the like occurring after the date hereof. The Company shall cause any successor or assign (whether by merger, consolidation, sale of assets or otherwise) to enter into a new registration rights agreement with the Designated Holders on terms substantially the same as this Agreement as a condition of any such transaction.

(b) No Inconsistent Agreements . The Company represents and warrants that there are no currently effective agreements under which the Company has granted to any Person the right to request or require the Company to register any securities issued by the Company, other than the rights granted to the Designated Holders herein. The Company shall not enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Designated Holders in this Agreement or grant any additional registration rights to any Person or with respect to any securities which are not Registrable Securities which are prior in right to or inconsistent with the rights granted in this Agreement, except that the Company may grant the registration rights held by the General Atlantic Stockholders to any Subsequent General Atlantic Purchaser.

(c) Remedies . The Designated Holders, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be

entitled to specific performance of their rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive in any action for specific performance the defense that a remedy at law would be adequate.

(d) Amendments and Waivers . Except as otherwise provided herein, the provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless consented to in writing by (i) the Company, and (ii) the General Atlantic Stockholders holding a majority of the Registrable Securities then held by all General Atlantic Stockholders. Any such written consent shall be binding upon the Company and all of the Designated Holders. Notwithstanding the first sentence of this Section 10(d), the Company, without the consent of any other party hereto (other than the General Atlantic Stockholders), may amend this Agreement to add any Subsequent General Atlantic Purchaser as a party to this Agreement as a General Atlantic Stockholder.

(e) Notices . All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be made by registered or certified first-class mail, return receipt requested, telecopier, courier service, electronic delivery or personal delivery:

(i) if to the Company:

TriNet Group, Inc.
1100 San Leandro Blvd., Suite 300
San Leandro, CA 94577
Telecopy: (510) 315-1111
Attention: Greg Hammond, Esq.
Email: legal@trinet.com

with a copy to:

Cooley Godward Kronish LLP
101 California Street
5th Floor
San Francisco, CA 94111-5800
Telecopy: (415) 693-2222
Attention: Craig Jacoby, Esq.
Email: cjacoby@cooley.com

(ii) if to the Investors:

c/o General Atlantic Service Company, LLC
3 Pickwick Plaza
Greenwich, CT 06830
Telecopy: (203) 302-3044
Attention: David A. Rosenstein, Esq.
Email: drosenstein@generalatlantic.com

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Telecopy: (212) 757-3990
Attention: Matthew W. Abbott, Esq.
Email: mabbott@paulweiss.com

All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five Business Days after being deposited in the mail, postage prepaid, if mailed; and when receipt is mechanically acknowledged, if telecopied or sent by electronic delivery. Any party may by notice given in accordance with this Section 10(e) designate another address or Person for receipt of notices hereunder.

(f) Successors and Assigns; Third Party Beneficiaries . This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto as hereinafter provided. The Demand Registration rights and the S-3 Registration rights and related rights of the General Atlantic Stockholders contained in Sections 3 and 5 hereof, shall be (i) with respect to any Registrable Security that is transferred to an Affiliate of a General Atlantic Stockholder, automatically transferred to such Affiliate and (ii) with respect to any Registrable Security that is transferred in all cases to a non-Affiliate, transferred only with the consent of the Company, which consent shall not be unreasonably withheld. The incidental or "piggy-back" registration rights of the Designated Holders contained in Sections 3(b), 4 and 5 hereof and the other rights of each of the Designated Holders with respect thereto shall be, with respect to any Registrable Security, automatically transferred to any Person who is the transferee of such Registrable Security, but, during the period in which the Stockholders Agreement is in effect, only if transferred in compliance with the Stockholders Agreement. All of the obligations of the Company hereunder shall survive any such transfer. Except as provided in Section 8, no Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement.

(g) Headings . The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(h) GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL . THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. The parties hereto irrevocably submit to the exclusive jurisdiction of any state or federal court sitting in New York County, New York, over any suit, action or proceeding arising out of or relating to this Agreement. To the fullest extent they may effectively do so under applicable law, the parties hereto irrevocably waive and agree not to assert, by way of motion, as a defense or otherwise, any claim that they are not subject to the jurisdiction of any such court, any objection that they may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. **EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY AND (iv) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS, AGREEMENTS AND CERTIFICATIONS IN THIS SECTION 10(h)** .

(i) Severability . If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

(j) Rules of Construction . Unless the context otherwise requires, references to sections or subsections refer to sections or subsections of this Agreement.

(k) Entire Agreement . This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto with respect to the subject matter contained herein. There are no restrictions, promises, representations, warranties or undertakings with respect to the subject matter contained herein, other than those set forth or referred to herein. This Agreement supersedes all prior agreements and understandings among the parties with respect to such subject matter, including, without limitation, the Prior Agreement.

(l) Further Assurances . Each of the parties shall execute such documents and perform such further acts as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

(m) Other Agreements . Nothing contained in this Agreement shall be deemed to be a waiver of, or release from, any obligations any party hereto may have under, or any restrictions on the transfer of Registrable Securities or other securities of the Company imposed by, any other agreement including, but not limited to, the Purchase Agreement or the Stockholders Agreement.

(n) Counterparts . This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(o) Representation By Counsel; Interpretation . The parties acknowledge that each party to this Agreement has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law, or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the party that drafted it has no application and is expressly waived.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Amended and Restated Registration Rights Agreement on the date first written above.

TRINET GROUP, INC.

By: /s/ Gregory L. Hammond
Name: Gregory L. Hammond
Title: Secretary

GA TRINET, LLC

By: /s/ Matthew Nimetz
Name: Matthew Nimetz
Title: Managing Director

HR ACQUISITIONS, LLC

By: /s/ Matthew Nimetz
Name: Matthew Nimetz
Title: Managing Director

[Signature Page to Amended and Restated Registration Rights Agreement]

TRINET GROUP, INC.

2000 EQUITY INCENTIVE PLAN

ADOPTED: NOVEMBER 22, 2000
APPROVED BY STOCKHOLDERS: NOVEMBER 23, 2000
AMENDMENT AND RESTATEMENT ADOPTED BY BOARD: JUNE 3, 2005
AMENDMENT AND RESTATEMENT APPROVED BY STOCKHOLDERS: JUNE 29, 2005
TERMINATION DATE: NOVEMBER 21, 2010

1. GENERAL.

(a) Eligible Stock Award Recipients. The persons eligible to receive Stock Awards are Employees, Directors and Consultants. The persons eligible to receive Non-Employee Director Stock Options are the Non-Employee Directors.

(b) Available Stock Awards. The Plan provides for the grant of the following Stock Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Purchase Awards, (iv) Stock Bonus Awards, (v) Stock Appreciation Rights, (vi) Stock Unit Awards, and (vii) Other Stock Awards. The Plan also provides for non-discretionary grants of Nonstatutory Stock Options to Non-Employee Directors.

(c) General Purpose. The Company, by means of the Plan, seeks to secure and retain the services of the group of persons eligible to receive Stock Awards as set forth in Section 1(a), to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and to provide a means by which such eligible recipients may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Stock Awards.

2. DEFINITIONS.

As used in the Plan, the following definitions shall apply to the capitalized terms indicated below:

(a) *"Affiliate"* means (i) any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, provided each corporation in the unbroken chain (other than the Company) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain, and (ii) any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. The Board shall have the authority to determine (i) the time or times at which the ownership tests are applied, and (ii) whether "Affiliate" includes entities other than corporations within the foregoing definition.

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

(c) ***"Capitalization Adjustment"*** has the meaning ascribed to that term in Section 12(a).

(d) ***"Change in Control"*** means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (A) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person from the Company in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities or (B) solely because the level of Ownership held by any Exchange Act Person (the " ***Subject Person*** ") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) the stockholders of the Company approve or the Board approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company shall otherwise occur;

(iv) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition.

The term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company.

Notwithstanding the foregoing or any other provision of this Plan, the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Stock Awards subject to such agreement; *provided, however*, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply.

(e) *"Code"* means the Internal Revenue Code of 1986, as amended.

(f) *"Committee"* means a committee of one (1) or more members of the Board to whom authority has been delegated by the Board in accordance with Section 3(c).

(g) *"Common Stock"* means the common stock of the Company.

(h) *"Company"* means TriNet Group, Inc., a Delaware corporation.

(i) *"Consultant"* means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the Board of Directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, shall not cause a Director to be considered a "Consultant" for purposes of the Plan.

(j) *"Continuous Service"* means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, shall not terminate a Participant's Continuous Service. For example, a change in status from an employee of the Company to a consultant to an Affiliate or to a Director shall not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave. Notwithstanding the foregoing, a leave of absence shall be treated as Continuous Service for purposes of vesting in a Stock Award only to such extent as may be provided in the Company's leave of absence policy or in the written terms of the Participant's leave of absence.

(k) ***"Corporate Transaction"*** means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of at least ninety percent (90% **)** of the outstanding securities of the Company;

(iii) the consummation of a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) the consummation of a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(l) ***"Covered Employee"*** means the chief executive officer and the four (4) other highest compensated officers of the Company for whom total compensation is required to be reported to stockholders under the Exchange Act, as determined for purposes of Section 162(m) of the Code.

(m) ***"Director"*** means a member of the Board.

(n) ***"Disability"*** means the inability of a person, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of that person's position with the Company or an Affiliate because of the sickness or injury of the person.

(o) ***"Employee"*** means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, shall not cause a Director to be considered an "Employee" for purposes of the Plan. Notwithstanding the foregoing, no person who provides services to a TriNet Subscriber shall be considered an "Employee" for purposes of this Plan on account of such person's provision of such services.

(p) ***"Entity"*** means a corporation, partnership or other entity.

(q) ***"Exchange Act"*** means the Securities Exchange Act of 1934, as amended.

(r) ***"Exchange Act Person"*** means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" shall not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the effective date of the Plan as set forth in Section 15, is the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities.

(s) ***"Fair Market Value"*** means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on the Nasdaq National Market or the Nasdaq SmallCap Market, the Fair Market Value of a share of Common Stock shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the last market trading day prior to the day of determination, as reported in *The Wall Street Journal* or such other source as the Board deems reliable.

(ii) In the absence of such markets for the Common Stock, the Fair Market Value means, as of any date, the value of the Common Stock determined in good faith by the Board, and in a manner consistent with Section 260.140.50 of Title 10 of the California Code of Regulations.

(t) ***"Incentive Stock Option"*** means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(u) ***"Non-Employee Director"*** means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act (" ***Regulation S-K*** ")), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404 (b) of Regulation S-K; or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

(v) ***"Non-Employee Director Stock Option"*** means a Nonstatutory Stock Option granted pursuant to Section 7 hereof.

(w) ***"Non-Employee Director Stock Option Agreement"*** means a written agreement between the Company and a Non-Employee Director evidencing the terms and conditions of a Non-Employee Director Stock Option grant. Each Non-Employee Director Stock Option Agreement shall be subject to the terms and conditions of the Plan.

(x) ***"Nonstatutory Stock Option"*** means an Option not intended to qualify as an Incentive Stock Option.

(y) ***"Officer"*** means any person designated by the Company as an officer.

(z) *"Option"* means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(aa) *"Option Agreement"* means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement shall be subject to the terms and conditions of the Plan.

(bb) *"Optionholder"* means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(cc) *"Other Stock Award"* means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 8(e).

(dd) *"Other Stock Award Agreement"* means a written agreement between the Company and a holder of an Other Stock Award evidencing the terms and conditions of an Other Stock Award grant. Each Other Stock Award Agreement shall be subject to the terms and conditions of the Plan.

(ee) *"Outside Director"* means a Director who either (i) is not a current employee of the Company or an "affiliated corporation" (within the meaning of Treasury Regulations promulgated under Section 162(m) of the Code), is not a former employee of the Company or an "affiliated corporation" who receives compensation for prior services (other than benefits under a tax-qualified retirement plan) during the taxable year, has not been an officer of the Company or an "affiliated corporation," and does not receive remuneration from the Company or an "affiliated corporation," either directly or indirectly, in any capacity other than as a Director, or (ii) is otherwise considered an "outside director" for purposes of Section 162(m) of the Code.

(ff) *"Own," "Owned," "Owner," "Ownership"* A person or Entity shall be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(gg) *"Participant"* means a person to whom a Stock Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

(hh) *"Performance Criteria"* means the one or more criteria that the Board shall select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that shall be used to establish such Performance Goals may be based on any one of, or combination of, the following: (i) earnings per share; (ii) earnings before interest, taxes and depreciation; (iii) earnings before interest, taxes, depreciation and amortization (EBITDA); (iv) net earnings; (v) total shareholder return; (vi) return on equity; (vii) return on assets, investment, or capital employed; (viii) operating margin; (ix) gross margin; (x) operating income; (xi) net income (before or after taxes); (xii) net operating income; (xiii) net operating income after tax; (xiv) pre- and after-tax income; (xv) pre-tax profit; (xvi) operating cash flow; (xvii) sales or revenue targets; (xviii) increases in revenue or product revenue; (xix) expenses and cost

reduction goals; (xx) improvement in or attainment of expense levels; (xxi) improvement in or attainment of working capital levels; (xxii) economic value added (or an equivalent metric); (xxiii) market share; (xxiv) cash flow; (xxv) cash flow per share; (xxvi) share price performance; (xxvii) debt reduction; (xxviii) implementation or completion of projects or processes; (xxix) customer satisfaction; (xxx) total stockholder return; (xxxi) stockholders' equity; and (xxxii) other measures of performance selected by the Board. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Stock Award Agreement. The Board shall, in its sole discretion, define the manner of calculating the Performance Criteria it selects to use for such Performance Period.

(ii) ***"Performance Goals"*** means, for a Performance Period, the one or more goals established by the Board for the Performance Period based upon the Performance Criteria. The Board is authorized at any time in its sole discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants, (a) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development; (b) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions; or (c) in view of the Board's assessment of the business strategy of the Company, performance of comparable organizations, economic and business conditions, and any other circumstances deemed relevant. Specifically, the Board is authorized to make adjustment in the method of calculating attainment of Performance Goals and objectives for a Performance Period as follows: (i) to exclude the dilutive effects of acquisitions or joint ventures; (ii) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; and (iii) to exclude the effect of any change in the outstanding shares of common stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common shareholders other than regular cash dividends. In addition, with respect to Performance Goals established for Participants who are not Covered Employees, and who will not be Covered Employees at the time the compensation will be paid, the Board is authorized to make adjustment in the method of calculating attainment of Performance Goals and objectives for a Performance Period as follows: (i) to exclude restructuring and/or other nonrecurring charges; (ii) to exclude exchange rate effects, as applicable, for non-U.S. dollar denominated net sales and operating earnings; (iii) to exclude the effects of changes to generally accepted accounting standards required by the Financial Accounting Standards Board; (iv) to exclude the effects to any statutory adjustments to corporate tax rates; (v) to exclude the impact of any "extraordinary items" as determined under generally accepted accounting principles; and (vi) to exclude any other unusual, non-recurring gain or loss or other extraordinary item.

(jj) ***"Performance Period"*** means the one or more periods of time, which may be of varying and overlapping durations, as the Board may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Stock Award.

(kk) ***"Plan"*** means this TriNet Group, Inc. 2005 Equity Incentive Plan.

(ll) ***"Rule 16b-3"*** means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(mm) ***"Securities Act"*** means the Securities Act of 1933, as amended.

(nn) ***"Stock Appreciation Right"*** means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 8(d).

(oo) ***"Stock Appreciation Right Agreement"*** means a written agreement between the Company and a holder of a Stock Appreciation Right evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Agreement shall be subject to the terms and conditions of the Plan.

(pp) ***"Stock Award"*** means any right granted under the Plan, including an Option, a Stock Purchase Award, Stock Bonus Award, a Stock Appreciation Right, a Stock Unit Award, or any Other Stock Award.

(qq) ***"Stock Award Agreement"*** means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant. Each Stock Award Agreement shall be subject to the terms and conditions of the Plan.

(rr) ***"Stock Bonus Award"*** means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 8 (a).

(ss) ***"Stock Bonus Award Agreement"*** means a written agreement between the Company and a holder of a Stock Bonus Award evidencing the terms and conditions of a Stock Bonus Award grant. Each Stock Bonus Award Agreement shall be subject to the terms and conditions of the Plan.

(tt) ***"Stock Purchase Award"*** means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 8(a).

(uu) ***"Stock Purchase Award Agreement"*** means a written agreement between the Company and a holder of a Stock Purchase Award evidencing the terms and conditions of a Stock Purchase Award grant. Each Stock Purchase Award Agreement shall be subject to the terms and conditions of the Plan.

(vv) ***"Stock Unit Award"*** means a right to receive shares of Common Stock which is granted pursuant to the terms and conditions of Section 8(c).

(ww) ***"Stock Unit Award Agreement"*** means a written agreement between the Company and a holder of a Stock Unit Award evidencing the terms and conditions of a Stock Unit Award grant. Each Stock Unit Award Agreement shall be subject to the terms and conditions of the Plan.

(xx) *"Subsidiary"* means, with respect to the Company, (i) any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%).

(yy) *"Ten Percent Stockholder"* means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate.

3. A DMINISTRATION .

(a) Administration by Board. The Board shall administer the Plan unless and until the Board delegates administration of the Plan to a Committee, as provided in Section 3(c).

(b) Powers of Board. The Board shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time (1) which of the persons eligible under the Plan shall be granted Stock Awards; (2) when and how each Stock Award shall be granted; (3) what type or combination of types of Stock Award shall be granted; (4) the provisions of each Stock Award granted (which need not be identical), including the time or times when a person shall be permitted to receive Common Stock pursuant to a Stock Award; and (5) the number of shares of Common Stock with respect to which a Stock Award shall be granted to each such person.

(ii) To construe and interpret the Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award Agreement, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(iii) To effect, at any time and from time to time, with the consent of any adversely affected Optionholder, (1) the reduction of the exercise price of any outstanding Option under the Plan; (2) the cancellation of any outstanding Option under the Plan and the grant in substitution therefor of (a) a new Option under the Plan or another equity plan of the Company covering the same or a different number of shares of Common Stock, (b) a Stock Purchase Award, (c) a Stock Bonus Award, (d) a Stock Appreciation Right, (e) a Stock Unit Award, (f) an Other Stock Award, (g) cash, and/or (h) other valuable consideration (as determined by the Board, in its sole discretion); or (3) any other action that is treated as a repricing under generally accepted accounting principles.

(iv) To amend the Plan or a Stock Award as provided in Section 13.

(v) To terminate or suspend the Plan as provided in Section 14.

(vi) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan.

(vii) To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees who are foreign nationals or employed outside the United States.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees of one (1) or more members of the Board, and the term "Committee" shall apply to any person or persons to whom such authority has been delegated. If administration is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board shall thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Committee Composition when Common Stock is Publicly Traded. At such time as the Common Stock is publicly traded, in the sole discretion of the Board, the Committee may consist solely of two or more Outside Directors, in accordance with Section 162(m) of the Code, and/or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3. In addition, the Board or the Committee, in its sole discretion, may (1) delegate to a committee of one or more members of the Board who need not be Outside Directors the authority to grant Stock Awards to eligible persons who are either (a) not then Covered Employees and are not expected to be Covered Employees at the time of recognition of income resulting from such Stock Award, or (b) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code and/or) (2) delegate to a committee of one or more members of the Board who need not be Non-Employee Directors the authority to grant Stock Awards to eligible persons who are not then subject to Section 16 of the Exchange Act.

(d) Delegation to an Officer. The Board may delegate to one or more Officers of the Company the authority to do one or both of the following (i) designate Officers and Employees of the Company or any of its Subsidiaries to be recipients of Stock Awards and the terms thereof, and (ii) determine the number of shares of Common Stock to be subject to such Stock Awards granted to such Officers and Employees of the Company; *provided, however*, that the Board resolutions regarding such delegation shall specify the total number of shares of Common Stock that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Notwithstanding anything to the contrary in this Section 3(d), the Board may not delegate to an Officer authority to determine the Fair Market Value of the Common Stock pursuant to Section 2(s)(ii) above.

(e) Limitation on Delegation. Notwithstanding anything to the contrary in this Section 3, the Board may not delegate the administration of the Plan to a Committee to the extent that such administration would in any way affect Non-Employee Director Stock Options described in Section 7.

(f) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith shall not be subject to review by any person and shall be final, binding and conclusive on all persons.

4. SHARES SUBJECT TO THE PLAN.

(a) Share Reserve. Subject to the provisions of Section 12(a) relating to Capitalization Adjustments, the number of shares of Common Stock that may be issued pursuant to Stock Awards shall not exceed in the aggregate three million nine hundred eighty-three thousand seventy-two (3,983,072) shares of Common Stock (the "Reserved Shares").

(b) Reversion of Shares to the Share Reserve . If any Stock Award shall for any reason expire or otherwise terminate, in whole or in part, without having been exercised in full, if any shares of Common Stock issued to a Participant pursuant to a Stock Award are forfeited to or repurchased by the Company, including, but not limited to, any repurchase or forfeiture caused by the failure to meet a contingency or condition required for the vesting of such shares, or if any shares of Common Stock are cancelled in accordance with the cancellation and regrant provisions of Section 3(b)(iii), then the shares of Common Stock not issued under such Stock Award, or forfeited to or repurchased by the Company, shall revert to and again become available for issuance under the Plan. If any shares subject to a Stock Award are not delivered to a Participant because such shares are withheld for the payment of taxes or the Stock Award is exercised through a reduction of shares subject to the Stock Award (*i.e.* , "net exercised"), the number of shares that are not delivered to the Participant shall remain available for issuance under the Plan. If the exercise price of any Stock Award is satisfied by tendering shares of Common Stock held by the Participant (either by actual delivery or attestation), then the number of shares so tendered shall remain available for issuance under the Plan. Notwithstanding anything to the contrary in this Section 4(b), subject to the provisions of Section 12(a) relating to Capitalization Adjustments the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options shall be four million (4,000,000) shares of Common Stock.

(c) Source of Shares. The stock issuable under the Plan shall be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market.

(d) Share Reserve Limitation. To the extent required by Section 260.140.45 of Title 10 of the California Code of Regulations, the total number of shares of Common Stock issuable upon exercise of all outstanding Options and the total number of shares of Common

Stock provided for under any stock bonus or similar plan of the Company shall not exceed the applicable percentage as calculated in accordance with the conditions and exclusions of Section 260.140.45 of Title 10 of the California Code of Regulations, based on the shares of Common Stock of the Company that are outstanding at the time the calculation is made.

5. ELIGIBILITY.

(a) Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to Employees. Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants.

(b) Ten Percent Stockholders.

(i) A Ten Percent Stockholder shall not be granted an Incentive Stock Option unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value of the Common Stock on the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

(ii) A Ten Percent Stockholder shall not be granted a Nonstatutory Stock Option unless the exercise price of such Option is at least (i) one hundred ten percent (110%) of the Fair Market Value of the Common Stock on the date of grant or (ii) such lower percentage of the Fair Market Value of the Common Stock on the date of grant as is permitted by Section 260.140.41 of Title 10 of the California Code of Regulations at the time of the grant of the Option.

(iii) A Ten Percent Stockholder shall not be granted a Restricted Stock Award or Stock Appreciation Right (if such award could be settled in shares of Common Stock), unless the purchase price of the restricted stock is at least (i) one hundred percent (100%) of the Fair Market Value of the Common Stock on the date of grant or (ii) such lower percentage of the Fair Market Value of the Common Stock on the date of grant as is permitted by Section 260.140.42 of Title 10 of the California Code of Regulations at the time of the grant of the award.

(c) Consultants. A Consultant shall not be eligible for the grant of a Stock Award if, at the time of grant, either the offer or the sale of the Company's securities to such Consultant is not exempt under Rule 701 of the Securities Act ("Rule 701") because of the nature of the services that the Consultant is providing to the Company, because the Consultant is not a natural person, or because of any other provision of Rule 701.

6. OPTION PROVISIONS.

Each Option shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. All Options shall be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates shall be issued for shares of Common Stock purchased on exercise of each type of Option. The provisions of separate Options need not be identical; *provided, however* , that each Option Agreement shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the following provisions:

(a) Term. The Board shall determine the term of an Option; *provided, however* , that subject to the provisions of Section 5(b) regarding Ten Percent Stockholders, no Incentive Stock Option shall be exercisable after the expiration of ten (10) years from the date of grant.

(b) Exercise Price of an Incentive Stock Option. Subject to the provisions of Section 5(b) regarding Ten Percent Stockholders, the exercise price of each Incentive Stock Option shall be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option on the date the Option is granted. Notwithstanding the foregoing, an Incentive Stock Option may be granted with an exercise price lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner consistent with the provisions of Section 424(a) of the Code.

(c) Exercise Price of a Nonstatutory Stock Option. Subject to the provisions of Section 5(b) regarding Ten Percent Stockholders, the exercise price of each Nonstatutory Stock Option shall be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option on the date the Option is granted. Notwithstanding the foregoing, a Nonstatutory Stock Option may be granted with an exercise price lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner consistent with the provisions of Section 424(a) of the Code.

(d) Consideration. The purchase price of Common Stock acquired pursuant to the exercise of an Option shall be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board shall have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The methods of payment permitted by this Section 6(d) are:

(i) by cash or check;

(ii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock;

(iii) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issued upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; *provided, however*, the Company shall accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such holding back of whole shares; *provided, however*, shares of Common Stock will no longer be outstanding under an Option and will not be exercisable thereafter to the extent that (i) shares are used to pay the exercise price pursuant to the "net exercise," (ii) shares are delivered to the Participant as a result of such exercise, and (iii) shares are withheld to satisfy tax withholding obligations;

(iv) according to a deferred payment or similar arrangement with the Optionholder; *provided, however*, that interest shall compound at least annually and shall be charged at the minimum rate of interest necessary to avoid (i) the imputation of interest income to the Company and compensation income to the Optionholder under any applicable provisions of the Code, and (ii) the treatment of the Option as a variable award for financial accounting purposes; or

(v) in any other form of legal consideration that may be acceptable to the Board.

(e) Transferability of Options. The Board may, in its sole discretion, impose such limitations on the transferability of Options as the Board shall determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options shall apply:

(i) Restrictions on Transfer. An Option (i) shall not be transferable except by will or by the laws of descent and distribution and, in the case of a Nonstatutory Stock Option, to the extent provided in the Option Agreement, to such further extent as permitted by Section 260.140.41(d) of Title 10 of the California Code of Regulations at the time of the grant of the Option, and (ii) shall be exercisable during the lifetime of the Optionholder only by the Optionholder.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, an Option may be transferred pursuant to a domestic relations order.

(iii) Beneficiary Designation. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on performance or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options may vary. The provisions of this Section 6(f) are subject to any Option provisions governing the minimum number of shares of Common Stock as to which an Option may be exercised.

(g) Minimum Vesting. Notwithstanding the foregoing Section 6(f), to the extent that the following restrictions on vesting are required by Section 260.140.41(f) of Title 10 of the California Code of Regulations at the time of the grant of the Option, then:

(i) Options granted to an Employee who is not an Officer, Director or Consultant shall provide for vesting of the total number of shares of Common Stock at a rate of at least twenty percent (20%) per year over five (5) years from the date the Option was granted, subject to reasonable conditions such as continued employment; and

(ii) Options granted to Officers, Directors or Consultants may be made fully exercisable, subject to reasonable conditions such as continued employment, at any time or during any period established by the Company.

(h) Termination of Continuous Service. In the event that an Optionholder's Continuous Service terminates (other than upon the Optionholder's death or Disability), the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination of Continuous Service) but only within such period of time ending on the earlier of (i) the date three (3) months following the termination of the Optionholder's Continuous Service (or such longer or shorter period specified in the Option Agreement, which period shall not be less than thirty (30) days unless such termination is for cause), or (ii) the expiration of the term of the Option as set forth in the Option Agreement. If, after termination of Continuous Service, the Optionholder does not exercise his or her Option within the time specified herein or in the Option Agreement (as applicable), the Option shall terminate.

(i) Extension of Termination Date. An Optionholder's Option Agreement may provide that if the exercise of the Option following the termination of the Optionholder's Continuous Service (other than upon the Optionholder's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option shall terminate on the earlier of (i) the expiration of a period of three (3) months after the termination of the Optionholder's Continuous Service during which the exercise of the Option would not be in violation of such registration requirements, or (ii) the expiration of the term of the Option as set forth in the Option Agreement.

(j) Disability of Optionholder. In the event that an Optionholder's Continuous Service terminates as a result of the Optionholder's Disability, the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date twelve (12) months following such termination of Continuous Service (or such longer or shorter period specified in the Option Agreement, which period shall not be less than six (6) months), or (ii) the expiration of the term of the Option as set forth in the Option Agreement. If, after termination of Continuous Service, the Optionholder does not exercise his or her Option within the time specified herein or in the Option Agreement (as applicable), the Option shall terminate.

(k) Death of Optionholder. In the event that (i) an Optionholder's Continuous Service terminates as a result of the Optionholder's death, or (ii) the Optionholder dies within the period (if any) specified in the Option Agreement after the termination of the Optionholder's Continuous Service for a reason other than death, then the Option may be exercised (to the extent

the Optionholder was entitled to exercise such Option as of the date of death) by the Optionholder's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by a person designated to exercise the option upon the Optionholder's death, but only within the period ending on the earlier of (i) the date eighteen (18) months following the date of death (or such longer or shorter period specified in the Option Agreement, which period shall not be less than six (6) months), or (ii) the expiration of the term of such Option as set forth in the Option Agreement. If, after the Optionholder's death, the Option is not exercised within the time specified herein or in the Option Agreement (as applicable), the Option shall terminate.

(l) Early Exercise. The Option may include a provision whereby the Optionholder may elect at any time before the Optionholder's Continuous Service terminates to exercise the Option as to any part or all of the shares of Common Stock subject to the Option prior to the full vesting of the Option. Subject to the "Repurchase Limitation" in Section 11(h), any unvested shares of Common Stock so purchased may be subject to a repurchase option in favor of the Company or to any other restriction the Board determines to be appropriate. Provided that the "Repurchase Limitation" in Section 11(h) is not violated, the Company shall not be required to exercise its repurchase option until at least six (6) months (or such longer or shorter period of time necessary to avoid a charge to earnings for financial accounting purposes) have elapsed following exercise of the Option unless the Board otherwise specifically provides in the Option.

(m) Right of Repurchase. Subject to the "Repurchase Limitation" in Section 11(h), the Option may, but need not, include a provision whereby the Company may elect to repurchase all or any part of the vested shares of Common Stock acquired by the Optionholder pursuant to the exercise of the Option. Provided that the "Repurchase Limitation" in Section 11(h) is not violated, the Company will not exercise its repurchase option until at least six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes) have elapsed following exercise of the Option unless otherwise specifically provided in the Option.

(n) Right of First Refusal. The Option may, but need not, include a provision whereby the Company may elect to exercise a right of first refusal following receipt of notice from the Optionholder of the intent to transfer all or any part of the shares of Common Stock received upon the exercise of the Option. Except as expressly provided in this Section 6(n) or in the Stock Award Agreement for the Option, such right of first refusal shall otherwise comply with any applicable provisions of the Bylaws of the Company. The Company will not exercise its right of first refusal until at least six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes) have elapsed following exercise of the Option unless otherwise specifically provided in the Option.

(o) Re-Load Options.

(i) Without in any way limiting the authority of the Board to make or not to make grants of Options hereunder, the Board shall have the authority (but not an obligation) to include as part of any Option Agreement a provision entitling the Optionholder to a further Option (a "Re-Load Option") in the event the Optionholder exercises the Option evidenced by the Option Agreement, in whole or in part, by surrendering other shares of Common Stock in

accordance with this Plan and the terms and conditions of the Option Agreement. Unless otherwise specifically provided in the Option, the Optionholder shall not surrender shares of Common Stock acquired, directly or indirectly from the Company, unless such shares have been held for more than six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes).

(ii) Any such Re-Load Option shall (1) provide for a number of shares of Common Stock equal to the number of shares of Common Stock surrendered as part or all of the exercise price of such Option; (2) have an expiration date which is the same as the expiration date of the Option the exercise of which gave rise to such Re-Load Option; and (3) have an exercise price which is equal to one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Re-Load Option on the date of exercise of the original Option. Notwithstanding the foregoing, a Re-Load Option shall be subject to the same exercise price and term provisions heretofore described for Options under the Plan.

(iii) Any such Re-Load Option may be an Incentive Stock Option or a Nonstatutory Stock Option, as the Board may designate at the time of the grant of the original Option; *provided, however,* that the designation of any Re-Load Option as an Incentive Stock Option shall be subject to the one hundred thousand dollar ($100,000) annual limitation on the exercisability of Incentive Stock Options described in subsection 11(d) and in Section 422(d) of the Code. There shall be no Re-Load Options on a Re-Load Option. Any such Re-Load Option shall be subject to the availability of sufficient shares of Common Stock under subsection 4(a) and shall be subject to such other terms and conditions as the Board may determine which are not inconsistent with the express provisions of the Plan regarding the terms of Options.

7. NON-EMPLOYEE DIRECTOR STOCK OPTIONS.

Without any further action of the Board, each Non-Employee Director shall be granted Nonstatutory Stock Options as described in subsections 7(a) and 7(b) (collectively, "Non-Employee Director Stock Options"). Each Non-Employee Director Stock Option shall include the substance of the terms set forth in subsections 7(c) through 7(k).

(a) Initial Grants. Upon the effectiveness of the Plan, each person who is then serving as a Non-Employee Director automatically shall be granted a Nonstatutory Stock Option to purchase two thousand five hundred (2,500) shares of Common Stock on the terms and conditions set forth herein (each an "Initial Grant"). Following the Effective Date, each person who is elected for the first time to be a Non-Employee Director automatically shall, upon the date of his initial election or appointment, receive an Initial Grant.

(b) Annual Grants. On the day following each Annual Meeting commencing with the Annual Meeting in 2001, each person who is then a Non-Employee Director automatically shall be granted an Annual Grant to purchase one thousand five hundred (1,500) shares of Common Stock on the terms and conditions set forth herein; and further *provided, however* , that if the person has not been serving as a Non-Employee Director for the entire period since the preceding Annual Meeting, then the number of shares subject to the Annual Grant shall be reduced pro rata for each full quarter prior to the date of grant during which such person did not serve as a Non-Employee Director.

(c) Term . Each Non-Employee Director Stock Option shall have a term of ten (10) years from the date it is granted.

(d) Exercise Price . The exercise price of each Non-Employee Director Stock Option shall be one hundred percent (100%) of the Fair Market Value of the stock subject to the Non-Employee Director Stock Option on the date of grant. Notwithstanding the foregoing, a Non-Employee Director Stock Option may be granted with an exercise price lower than that set forth in the preceding sentence if such Non-Employee Director Stock Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code.

(e) Vesting. Each Non-Employee Director Stock Option shall vest in equal twelve (12) installments over a one (1) year period following the date on which it is granted.

(f) Consideration . The purchase price of stock acquired pursuant to a Non-Employee Director Stock Option may be paid, to the extent permitted by applicable statutes and regulations, in any combination of (i) cash or check, (ii) in the Company's sole discretion at the time the Non-Employee Director Stock Option is exercised and provided that at the time of exercise the Common Stock is publicly traded and quoted regularly in *The Wall Street Journal* , pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds, (iii) provided that at the time of exercise the Common Stock is publicly traded and quoted regularly in *The Wall Street Journal* , by delivery of already-owned shares of Common Stock either that the Non-Employee Director has held for the period required to avoid a charge to the Company's reported earnings (generally six months) or that the Non-Employee did not acquire, directly or indirectly from the Company, that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise, or (iv) by a "net exercise" arrangement (as described in Section 6(d)(iii)). "Delivery" for these purposes, in the sole discretion of the Company at the time of exercise of the Non-Employee Director Stock Option, shall include delivery to the Company of the Non-Employee Director's attestation of ownership of such shares of Common Stock in a form approved by the Company. Notwithstanding the foregoing, a Non-Employee Director may not exercise a Non-Employee Director Stock Option by tender to the Company of Common Stock to the extent such tender would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's stock.

(g) Transferability . A Non-Employee Director Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Non-Employee Director only by the Non-Employee Director. Notwithstanding the foregoing, (i) an Option may be transferred pursuant to a domestic relations order and (ii) the Non-Employee Director may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Non-Employee Director, shall thereafter be entitled to exercise the Non-Employee Director Stock Option.

(h) Termination of Continuous Service . In the event a Non-Employee Director's Continuous Service terminates (other than upon the Non-Employee Director's death or Disability), the Non-Employee Director may exercise his or her Non-Employee Director Stock Option (to the extent that the Non-Employee Director was entitled to exercise it as of the date of termination) but only within such period of time ending on the earlier of (i) the date three (3) months following the termination of the Non-Employee Director's Continuous Service, or (ii) the expiration of the term of the Non-Employee Director Stock Option as set forth in the Non-Employee Director Stock Option Agreement. If the Non-Employee Director does not exercise his or her Non-Employee Director Stock Option within the time specified in the Non-Employee Director Stock Option Agreement, the Non-Employee Director Stock Option shall terminate.

(i) Extension of Termination Date . If the exercise of the Non-Employee Director Stock Option following the termination of the Non-Employee Director's Continuous Service (other than upon the Non-Employee Director's death or Disability) would be prohibited at any time solely because the issuance of shares would violate the registration requirements under the Securities Act, then the Non-Employee Director Stock Option shall terminate on the earlier of (i) the expiration of the term of the Non-Employee Director Stock Option set forth in subsection 7 (c) or (ii) the expiration of a period of three (3) months after the termination of the Non-Employee Director's Continuous Service during which the exercise of the Non-Employee Director Stock Option would not violate such registration requirements.

(j) Disability of Non-Employee Director . In the event a Non-Employee Director's Continuous Service terminates as a result of the Non-Employee Director's Disability, the Non-Employee Director may exercise his or her Non-Employee Director Stock Option (to the extent that the Non-Employee Director was entitled to exercise it as of the date of termination), but only within such period of time ending on the earlier of (i) the date twelve (12) months following such termination or (ii) the expiration of the term of the Non-Employee Director Stock Option as set forth in the Non-Employee Director Stock Option Agreement. If the Non-Employee Director does not exercise his or her Non-Employee Director Stock Option within the time specified herein, the Non-Employee Director Stock Option shall terminate.

(k) Death of Non-Employee Director . In the event (i) a Non-Employee Director's Continuous Service terminates as a result of the Non-Employee Director's death or (ii) the Non-Employee Director dies within the three-month period after the termination of the Non-Employee Director's Continuous Service for a reason other than death, then the Non-Employee Director Stock Option may be exercised (to the extent the Non-Employee Director was entitled to exercise the Non-Employee Director Stock Option as of the date of death) by the Non-Employee Director's estate, by a person who acquired the right to exercise the Non-Employee Director Stock Option by bequest or inheritance or by a person designated to exercise the Non-Employee Director Stock Option upon the Non-Employee Director's death, but only within the period ending on the earlier of (1) the date eighteen (18) months following the date of death or (2) the expiration of the term of such Non-Employee Director Stock Option as set forth in the

Non-Employee Director Stock Option Agreement. If the Non-Employee Director Stock Option is not exercised within the time specified herein, the Non-Employee Director Stock Option shall terminate.

8. PROVISIONS OF STOCK AWARDS OTHER THAN OPTIONS.

(a) Stock Bonus Awards. Each Stock Bonus Award Agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. At the Board's election, shares of Common Stock may be (i) held in book entry form subject to the Company's instructions until any restrictions relating to the Stock Bonus Award lapse; or (ii) evidenced by a certificate, which certificate shall be held in such form and manner as determined by the Board. The terms and conditions of Stock Bonus Award Agreements may change from time to time, and the terms and conditions of separate Stock Bonus Award Agreements need not be identical, *provided, however* , that each Stock Bonus Award Agreement shall include (through incorporation of provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Stock Bonus Award may be awarded in consideration for (i) past services actually rendered to the Company or an Affiliate, or (ii) any other form of legal consideration that may be acceptable to the Board in its sole discretion and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under the Stock Bonus Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board.

(iii) Termination of Participant's Continuous Service. In the event a Participant's Continuous Service terminates, the Company may receive via a forfeiture condition, any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination of Continuous Service under the terms of the Stock Bonus Award Agreement.

(iv) Transferability. Rights to acquire shares of Common Stock under the Stock Bonus Award Agreement shall be transferable by the Participant only upon such terms and conditions as are set forth in the Stock Bonus Award Agreement, as the Board shall determine in its sole discretion, so long as Common Stock awarded under the Stock Bonus Award Agreement remains subject to the terms of the Stock Bonus Award Agreement.

(b) Stock Purchase Awards. Each Stock Purchase Award Agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. At the Board's election, shares of Common Stock may be (i) held in book entry form subject to the Company's instructions until any restrictions relating to the Stock Purchase Award lapse; or (ii) evidenced by a certificate, which certificate shall be held in such form and manner as determined by the Board. The terms and conditions of Stock Purchase Award Agreements may change from time to time, and the terms and conditions of separate Stock Purchase Award Agreements need not be identical, *provided, however*, that each Stock Purchase Award Agreement shall include (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Purchase Price. At the time of the grant of a Stock Purchase Award, the Board will determine the price to be paid by the Participant for each share subject to the Stock Purchase Award. Subject to the provisions of Section 5(b) regarding Ten Percent Stockholders, the price to be paid by the Participant for each share subject to the Stock Purchase Award shall not be less than eighty-five percent (85%) of the Common Stock's Fair Market Value on the date such award is made or at the time the purchase is consummated. To the extent required by applicable law, the price to be paid by the Participant for each share of the Stock Purchase Award will not be less than the par value of a share of Common Stock.

(ii) Consideration. At the time of the grant of a Stock Purchase Award, the Board will determine the consideration permissible for the payment of the purchase price of the Stock Purchase Award. The purchase price of Common Stock acquired pursuant to the Stock Purchase Award shall be paid either: (i) in cash or by check at the time of purchase, (ii) at the discretion of the Board, according to a deferred payment or other similar arrangement with the Participant, (iii) by past services rendered to the Company, or (iv) in any other form of legal consideration that may be acceptable to the Board in its sole discretion and permissible under applicable law; *provided, however,* that at any time that the Company is incorporated in Delaware, then payment of the Common Stock's "par value," as defined in the Delaware General Corporation Law, shall not be made by deferred payment.

(iii) Vesting. Subject to the "Repurchase Limitation" in Section 11(h), shares of Common Stock acquired under a Stock Purchase Award may, but need not, be subject to a share repurchase option in favor of the Company in accordance with a vesting schedule to be determined by the Board.

(iv) Termination of Participant's Continuous Service. Subject to the "Repurchase Limitation" in Section 11(h), in the event that a Participant's Continuous Service terminates, the Company shall have the right, but not the obligation, to repurchase or otherwise reacquire, any or all of the shares of Common Stock held by the Participant that have not vested as of the date of termination under the terms of the Stock Purchase Award Agreement. Provided that the "Repurchase Limitation" in Section 11(h) is not violated, the Company will not exercise its repurchase option until at least six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes) have elapsed following the purchase of stock acquired pursuant to the Stock Purchase Award unless otherwise determined by the Board or provided in the Stock Purchase Award agreement.

(v) Transferability. Rights to purchase or receive shares of Common Stock granted under a Stock Purchase Award shall be transferable by the Participant only upon such terms and conditions as are set forth in the Stock Purchase Award Agreement, as the Board shall determine in its sole discretion, and so long as Common Stock awarded under the Stock Purchase Award remains subject to the terms of the Stock Purchase Award Agreement.

(c) Stock Unit Awards. Each Stock Unit Award Agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The terms and conditions of Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Stock Unit Award Agreements need not be identical, *provided, however,* that each Stock Unit Award Agreement shall include (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board in its sole discretion and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Stock Unit Award, the Board may impose such restrictions or conditions to the vesting of the Stock Unit Award as it, in its sole discretion, deems appropriate.

(iii) Payment . A Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Stock Unit Award after the vesting of such Stock Unit Award.

(v) Dividend Equivalents. Dividend equivalents may be credited in respect of shares of Common Stock covered by a Stock Unit Award, as determined by the Board and contained in the Stock Unit Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares of Common Stock covered by the Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Stock Unit Award credited by reason of such dividend equivalents will be subject to all the terms and conditions of the underlying Stock Unit Award Agreement to which they relate.

(vi) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Stock Unit Award Agreement, such portion of the Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

(d) Stock Appreciation Rights. Stock Appreciation Rights may only be granted under the Plan if the Board determines that such Stock Appreciation Rights do not constitute deferred compensation subject to Section 409A of the Code. Each Stock Appreciation Right Agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The terms and conditions of Stock Appreciation Right Agreements may change from time to time, and the terms and conditions of separate Stock Appreciation Right

Agreements need not be identical; *provided, however* , that each Stock Appreciation Right Agreement shall include (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Strike Price and Calculation of Appreciation. Each Stock Appreciation Right will be denominated in shares of Common Stock equivalents. The appreciation distribution payable on the exercise of a Stock Appreciation Right will be not greater than an amount equal to the excess of (i) the aggregate Fair Market Value (on the date of the exercise of the Stock Appreciation Right) of a number of shares of Common Stock equal to the number of share of Common Stock equivalents in which the Participant is vested under such Stock Appreciation Right, and with respect to which the Participant is exercising the Stock Appreciation Right on such date, over (ii) an amount (the strike price) that will be determined by the Board at the time of grant of the Stock Appreciation Right (subject to the provisions Section 5(b) regarding Ten Percent Stockholders).

(ii) Vesting. At the time of the grant of a Stock Appreciation Right, the Board may impose such restrictions or conditions to the vesting of such Stock Appreciation Right as it, in its sole discretion, deems appropriate; *provided, however* , that a Stock Appreciation Right that could be settled in shares of Common Stock shall be subject to the provision of Section 11(h).

(iii) Exercise. To exercise any outstanding Stock Appreciation Right, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such Stock Appreciation Right.

(iv) Payment . The appreciation distribution in respect to a Stock Appreciation Right may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Stock Appreciation Right Agreement evidencing such Stock Appreciation Right.

(v) Termination of Continuous Service. In the event that a Participant's Continuous Service terminates, the Participant may exercise his or her Stock Appreciation Right (to the extent that the Participant was entitled to exercise such Stock Appreciation Right as of the date of termination) but only within such period of time ending on the earlier of (i) the date three (3) months following the termination of the Participant's Continuous Service (or such longer or shorter period specified in the Stock Appreciation Right Agreement), or (ii) the expiration of the term of the Stock Appreciation Right as set forth in the Stock Appreciation Right Agreement. If, after termination, the Participant does not exercise his or her Stock Appreciation Right within the time specified herein or in the Stock Appreciation Right Agreement (as applicable), the Stock Appreciation Right shall terminate.

(e) Other Stock Awards . Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock may be granted either alone or in addition to Stock Awards provided for under Section 6 and the preceding provisions of this Section 8. Subject to the provisions of the Plan, the Board shall have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be

granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards.

9. COVENANTS OF THE COMPANY.

(a) Availability of Shares. During the terms of the Stock Awards, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Stock Awards.

(b) Securities Law Compliance. The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise of the Stock Awards; *provided, however,* that this undertaking shall not require the Company to register under the Securities Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained.

10. USE OF PROCEEDS FROM SALES OF COMMON STOCK.

Proceeds from the sale of shares of Common Stock pursuant to Stock Awards shall constitute general funds of the Company.

11. MISCELLANEOUS.

(a) Acceleration of Exercisability and Vesting. The Board shall have the power to accelerate the time at which a Stock Award may first be exercised or the time during which a Stock Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Stock Award stating the time at which it may first be exercised or the time during which it will vest.

(b) Stockholder Rights. No Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Stock Award unless and until such Participant has satisfied all requirements for exercise of the Stock Award pursuant to its terms.

(c) No Employment or Other Service Rights. Nothing in the Plan, any Stock Award Agreement or other instrument executed thereunder or any Stock Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Stock Award was granted or shall affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director

pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(d) Incentive Stock Option $100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds one hundred thousand dollars ($100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(e) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Stock Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Stock Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Stock Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, shall be inoperative if (i) the issuance of the shares upon the exercise or acquisition of Common Stock under the Stock Award has been registered under a then currently effective registration statement under the Securities Act, or (ii) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(f) Withholding Obligations. To the extent provided by the terms of a Stock Award Agreement, the Company may, in its sole discretion, satisfy any federal, state or local tax withholding obligation relating to a Stock Award by any of the following means (in addition to the Company's right to withhold from any compensation paid to the Participant by the Company) or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant as a result of the exercise or acquisition of Common Stock under the Stock Award, *provided, however,* that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law; or (iii) delivering to the Company owned and unencumbered shares of Common Stock of the Company that have been held for more than six (6) months (or such longer or shorter period of time required to avoid a charge to the Company's earnings for financial accounting purposes).

(g) Information Obligation. To the extent required by Section 260.140.46 of Title 10 of the California Code of Regulations, the Company shall deliver financial statements to Participants at least annually. This Section 11(g) shall not apply to key Employees whose duties in connection with the Company assure them access to equivalent information.

(h) Repurchase Limitation. The terms of any repurchase option shall be specified in the Stock Award, and the repurchase price may be either the Fair Market Value of the shares of Common Stock on the date of termination of Continuous Service or the lower of (i) the Fair Market Value of the shares of Common Stock on the date of repurchase or (ii) their original purchase price. To the extent required by Section 260.140.41 and Section 260.140.42 of Title 10 of the California Code of Regulations at the time a Stock Award is made, any repurchase option contained in a Stock Award granted to a person who is not an Officer, Director or Consultant shall be upon the terms described below:

(i) Fair Market Value. If the repurchase option gives the Company the right to repurchase the shares of Common Stock upon termination of Continuous Service at not less than the Fair Market Value of the shares of Common Stock to be purchased on the date of termination of Continuous Service, then (i) the right to repurchase shall be exercised for cash or cancellation of purchase money indebtedness for the shares of Common Stock within ninety (90) days of termination of Continuous Service (or in the case of shares of Common Stock issued upon exercise of Stock Awards after such date of termination, within ninety (90) days after the date of the exercise) or such longer period as may be agreed to by the Company and the Participant (for example, for purposes of satisfying the requirements of Section 1202(c)(3) of the Code regarding "qualified small business stock") and (ii) the right terminates when the shares of Common Stock become publicly traded.

(ii) Original Purchase Price. If the repurchase option gives the Company the right to repurchase the shares of Common Stock upon termination of Continuous Service at the lower of (i) the Fair Market Value of the shares of Common Stock on the date of repurchase or (ii) their original purchase price, then (x) the right to repurchase at the original purchase price shall lapse at the rate of at least twenty percent (20%) of the shares of Common Stock per year over five (5) years from the date the Stock Award is granted (without respect to the date the Stock Award was exercised or became exercisable) and (y) the right to repurchase shall be exercised for cash or cancellation of purchase money indebtedness for the shares of Common Stock within ninety (90) days of termination of Continuous Service (or in the case of shares of Common Stock issued upon exercise of Options after such date of termination, within ninety (90) days after the date of the exercise) or such longer period as may be agreed to by the Company and the Participant (for example, for purposes of satisfying the requirements of Section 1202(c)(3) of the Code regarding "qualified small business stock").

(i) Electronic Delivery . Any reference herein to a "written" agreement or document shall include any agreement or document delivered electronically or posted on the Company's intranet.

(j) Performance Stock Awards . A Stock Award may be granted, may vest, or may be exercised based upon service conditions, upon the attainment during a Performance

Period of certain Performance Goals, or both. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained shall be conclusively determined by the Board in its sole discretion.

12. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; CORPORATE TRANSACTIONS.

(a) Capitalization Adjustments . If any change is made in, or other events occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the effective date of the Plan set forth in Section 15 without the receipt of consideration by the Company (through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other transaction not involving the receipt of consideration by the Company (each a " ***Capitalization Adjustment*** ")), the Plan shall be appropriately adjusted in the class(es) and maximum number of securities subject to the Plan pursuant to Sections 4(a) and 4(b), and the outstanding Stock Awards will be appropriately adjusted in the class(es) and number of securities and price per share of stock subject to such outstanding Stock Awards. The Board shall make such adjustments, and its determination shall be final, binding and conclusive. (Notwithstanding the foregoing, the conversion of any convertible securities of the Company shall not be treated as a transaction "without receipt of consideration" by the Company.)

(b) Dissolution or Liquidation . In the event of a dissolution or liquidation of the Company, all outstanding Stock Awards shall terminate immediately prior to such event.

(c) Corporate Transaction . The following provisions shall apply to Stock Awards in the event of a Corporate Transaction unless otherwise provided in a written agreement between the Company or any Affiliate and the holder of the Stock Award:

(i) Stock Awards May Be Assumed. In the event of a Corporate Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan (including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards may be assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such Corporate Transaction. A surviving corporation or acquiring corporation may choose to assume or continue only a portion of a Stock Award or substitute a similar stock award for only a portion of a Stock Award. The terms of any assumption, continuation or substitution shall be set by the Board in accordance with the provisions of Section 3.

(ii) Stock Awards Held by Current Participants. In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Stock Awards or substitute similar

stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Participants whose Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the "***Current Participants***"), the vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) shall (contingent upon the effectiveness of the Corporate Transaction) be accelerated in full to a date prior to the effective time of such Corporate Transaction as the Board shall determine (or, if the Board shall not determine such a date, to the date that is five (5) days prior to the effective time of the Corporate Transaction), and such Stock Awards shall terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or repurchase rights held by the Company with respect to such Stock Awards shall lapse (contingent upon the effectiveness of the Corporate Transaction).

(iii) Stock Awards Held by Former Participants. In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be exercised) shall not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase) shall terminate if not exercised (if applicable) prior to the effective time of the Corporate Transaction; *provided, however,* that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards shall not terminate and may continue to be exercised notwithstanding the Corporate Transaction.

(iv) Payment for Stock Awards in Lieu of Exercise. Notwithstanding the foregoing, in the event a Stock Award will terminate if not exercised prior to the effective time of a Corporate Transaction, the Board may provide, in its sole discretion, that the holder of such Stock Award may not exercise such Stock Award but will receive a payment, in such form as may be determined by the Board, equal in value to the excess, if any, of (i) the value of the property the holder of the Stock Award would have received upon the exercise of the Stock Award, over (ii) any exercise price payable by such holder in connection with such exercise.

(d) Change in Control. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration shall occur.

13. AMENDMENT OF THE PLAN AND STOCK AWARDS.

(a) Amendment of Plan. Subject to the limitations, if any, of applicable law, the Board at any time, and from time to time, may amend the Plan. However, except as provided in Section 12(a) relating to Capitalization Adjustments, no amendment shall be effective unless approved by the stockholders of the Company to the extent stockholder approval is necessary to satisfy applicable law.

(b) Stockholder Approval. The Board, in its sole discretion, may submit any other amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 162(m) of the Code and the regulations thereunder regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation paid to Covered Employees.

(c) Contemplated Amendments. It is expressly contemplated that the Board may amend the Plan in any respect the Board deems necessary or advisable to provide eligible Employees with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options and/or to bring the Plan and/or Incentive Stock Options granted under it into compliance therewith.

(d) No Impairment of Rights. Rights under any Stock Award granted before amendment of the Plan shall not be impaired by any amendment of the Plan unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing.

(e) Amendment of Stock Awards. The Board, at any time and from time to time, may amend the terms of any one or more Stock Awards; *provided, however*, that the rights under any Stock Award shall not be impaired by any such amendment unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing.

14. TERMINATION OR SUSPENSION OF THE PLAN.

(a) Plan Term. The Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on the day before the tenth (10th) anniversary of the date the Plan is adopted by the Board or approved by the stockholders of the Company, whichever is earlier. No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) No Impairment of Rights. Suspension or termination of the Plan shall not impair rights and obligations under any Stock Award granted while the Plan is in effect except with the written consent of the affected Participant.

15. EFFECTIVE DATE OF PLAN.

The Plan shall become effective upon its adoption by the Board, but no Stock Award shall be exercised (or, in the case of a Stock Purchase Award, Stock Bonus Award, Stock Unit Award, or Other Stock Award shall be granted) unless and until the Plan has been approved by the stockholders of the Company, which approval shall be within twelve (12) months before or after the date the Plan is adopted by the Board.

16. CHOICE OF LAW.

The law of the State of Delaware shall govern all questions concerning the construction, validity and interpretation of this Plan, without regard to such state's conflict of laws rules.

Exhibit 10.2

TRINET GROUP, INC.
2000 EQUITY INCENTIVE PLAN

STOCK OPTION GRANT NOTICE

TriNet Group, Inc. (the "Company"), pursuant to its 2000 Equity Incentive Plan (the "Plan"), hereby grants to Optionholder an option to purchase the number of shares of the Company's Common Stock set forth below. This option is subject to all of the terms and conditions as set forth herein and in the Stock Option Agreement, the Plan and the Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety.

Optionholder:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares Subject to Option:	_____
Exercise Price (Per Share):	_____
Total Exercise Price:	_____
Expiration Date:	_____

Type of Grant: ☐ Incentive Stock Option ☐ Nonstatutory Stock Option

Exercise Schedule: ☐ Same as Vesting Schedule ☐ Early Exercise Permitted

Vesting Schedule: **[** 1/4th of the shares vest one year after the Vesting Commencement Date.
1/48th of the shares vest monthly thereafter over the next three years. **]**

Payment: By one or a combination of the following items (described in the Stock Option Agreement):

☐ By cash or check
☐ Pursuant to a Regulation T Program if the Shares are publicly traded
☐ By delivery of already-owned shares if the Shares are publicly traded
☐ By deferred payment
☐ By net exercise

Additional Terms/Acknowledgements: The undersigned Optionholder acknowledges receipt of, and understands and agrees to, this Stock Option Grant Notice, the Stock Option Agreement and the Plan. Optionholder further acknowledges that as of the Date of Grant, this Stock Option Grant Notice, the Stock Option Agreement and the Plan set forth the entire understanding between Optionholder and the Company regarding the acquisition of stock in the Company and supersede all prior oral and written agreements on that subject with the exception of (i) options previously granted and delivered to Optionholder under the Plan, and (ii) the following agreements only:

OTHER AGREEMENTS: _____
_____

[TRINET GROUP, INC.]

By: _____
Signature

Title: _____
Date: _____

OPTIONHOLDER:

_____
Signature

Date: _____

ATTACHMENTS: Stock Option Agreement, 2000 Equity Incentive Plan and Notice of Exercise

ATTACHMENT I

TRINET GROUP, INC.
2000 EQUITY INCENTIVE PLAN

STOCK OPTION AGREEMENT
(INCENTIVE AND NONSTATUTORY STOCK OPTIONS)

Pursuant to your Stock Option Grant Notice ("Grant Notice") and this Stock Option Agreement, **TRINET GROUP, INC.** (the "Company") has granted you an option under its 2000 Equity Incentive Plan (the "Plan") to purchase the number of shares of the Company's Common Stock indicated in your Grant Notice at the exercise price indicated in your Grant Notice. Defined terms not explicitly defined in this Stock Option Agreement but defined in the Plan shall have the same definitions as in the Plan.

The details of your option are as follows:

1. VESTING. Subject to the limitations contained herein, your option will vest as provided in your Grant Notice, provided that vesting will cease upon the termination of your Continuous Service.

2. NUMBER OF SHARES AND EXERCISE PRICE. The number of shares of Common Stock subject to your option and your exercise price per share referenced in your Grant Notice may be adjusted from time to time for Capitalization Adjustments.

3. EXERCISE PRIOR TO VESTING ("EARLY EXERCISE"). If permitted in your Grant Notice (i.e., the "Exercise Schedule" indicates that "Early Exercise" of your option is permitted) and subject to the provisions of your option, you may elect at any time that is both (i) during the period of your Continuous Service and (ii) during the term of your option, to exercise all or part of your option, including the nonvested portion of your option; *provided*, *however*, that:

(a) a partial exercise of your option shall be deemed to cover first vested shares of Common Stock and then the earliest vesting installment of unvested shares of Common Stock;

(b) any shares of Common Stock so purchased from installments that have not vested as of the date of exercise shall be subject to the purchase option in favor of the Company as described in the Company's form of Early Exercise Stock Purchase Agreement;

(c) you shall enter into the Company's form of Early Exercise Stock Purchase Agreement with a vesting schedule that will result in the same vesting as if no early exercise had occurred; and

(d) if your option is an Incentive Stock Option, then, to the extent that the aggregate Fair Market Value (determined at the time of grant) of the shares of Common Stock with respect to which your option plus all other Incentive Stock Options you hold are exercisable for the first time by you during any calendar year (under all plans of the Company and its

Affiliates) exceeds one hundred thousand dollars ($100,000), your option(s) or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options.

4. Method of Payment. Payment of the exercise price is due in full upon exercise of all or any part of your option. You may elect to make payment of the exercise price in cash or by check or in any other manner ***permitted by your Grant Notice,*** which may include one or more of the following:

(a) In the Company's sole discretion at the time your option is exercised and provided that at the time of exercise the Common Stock is publicly traded and quoted regularly in *The Wall Street Journal* , pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds.

(b) Provided that at the time of exercise the Common Stock is publicly traded and quoted regularly in *The Wall Street Journal* , by delivery of already-owned shares of Common Stock either that you have held for the period required to avoid a charge to the Company's reported earnings (generally six (6) months) or that you did not acquire, directly or indirectly from the Company, that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. "Delivery" for these purposes, in the sole discretion of the Company at the time you exercise your option, shall include delivery to the Company of your attestation of ownership of such shares of Common Stock in a form approved by the Company. Notwithstanding the foregoing, you may not exercise your option by tender to the Company of Common Stock to the extent such tender would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's stock.

(c) By a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issued upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; *provided, however* , the Company shall accept a cash or other payment from you to the extent of any remaining balance of the aggregate exercise price not satisfied by such holding back of whole shares; *provided, however* , shares of Common Stock will no longer be outstanding under an Option and will not be exercisable thereafter to the extent that (i) shares are used to pay the exercise price pursuant to the "net exercise," (ii) shares are delivered to you as a result of such exercise, and (iii) shares are withheld to satisfy tax withholding obligations.

5. Whole Shares. You may exercise your option only for whole shares of Common Stock.

6. Securities Law Compliance. Notwithstanding anything to the contrary contained herein, you may not exercise your option unless the shares of Common Stock issuable upon such exercise are then registered under the Securities Act or, if such shares of Common Stock are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act. The exercise of your

option also must comply with other applicable laws and regulations governing your option, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws and regulations.

7. TERM. You may not exercise your option before the commencement of its term or after its term expires. The term of your option commences on the Date of Grant and expires upon the ***earliest*** of the following:

(a) immediately upon the termination of your Continuous Service for Cause;

(b) three (3) months after the termination of your Continuous Service for any reason other than Cause, Disability or death, provided that if during any part of such three- (3-) month period you may not exercise your option solely because of the condition set forth in the preceding paragraph relating to "Securities Law Compliance," your option shall not expire until the earlier of the Expiration Date or until it shall have been exercisable for an aggregate period of three (3) months after the termination of your Continuous Service;

(c) twelve (12) months after the termination of your Continuous Service due to your Disability;

(d) eighteen (18) months after your death if you die either during your Continuous Service or within three (3) months after your Continuous Service terminates for reason other than Cause;

(e) the Expiration Date indicated in your Grant Notice; or

(f) the day before the tenth (10th) anniversary of the Date of Grant.

For purposes of your option, "Cause" means your misconduct, including but not limited to: (i) your conviction of any felony or any crime involving moral turpitude or dishonesty, (ii) your participation in a fraud or act of dishonesty against the Company, (iii) your conduct that, based upon a good faith and reasonable factual investigation and determination by the Board, demonstrates your gross unfitness to serve, or (iv) your intentional, material violation of any contract between the Company and you or any statutory duty of yours to the Company that you do not correct within thirty (30) days after written notice to you thereof. Your physical or mental disability shall not constitute "Cause."

If your option is an Incentive Stock Option, note that to obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the date of grant of your option and ending on the day three (3) months before the date of your option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or your permanent and total disability, as defined in Section 22(e) of the Code. (The definition of disability in Section 22(e) of the Code is different from the definition of the Disability under the Plan). The Company has provided for extended exercisability of your option under certain circumstances for your benefit but cannot guarantee that your option will necessarily be treated as an Incentive Stock Option if you continue to provide services to the Company or an Affiliate as a Consultant or Director after your employment terminates or if you otherwise exercise your option more than three (3) months after the date your employment with the Company or an Affiliate terminates.

8. E XERCISE .

(a) You may exercise the vested portion of your option (and the unvested portion of your option if your Grant Notice so permits) during its term by delivering a Notice of Exercise (in a form designated by the Company) together with the exercise price to the Secretary of the Company, or to such other person as the Company may designate, during regular business hours, together with such additional documents as the Company may then require.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (1) the exercise of your option, (2) the lapse of any substantial risk of forfeiture to which the shares of Common Stock are subject at the time of exercise, or (3) the disposition of shares of Common Stock acquired upon such exercise.

(c) If your option is an Incentive Stock Option, by exercising your option you agree that you will notify the Company in writing within fifteen (15) days after the date of any disposition of any of the shares of the Common Stock issued upon exercise of your option that occurs within two (2) years after the date of your option grant or within one (1) year after such shares of Common Stock are transferred upon exercise of your option.

(d) By exercising your option you agree that you shall not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any shares of Common Stock or other securities of the Company held by you, for a period of time specified by the managing underwriter(s) (not to exceed one hundred eighty (180) days) following the effective date of a registration statement of the Company filed under the Securities Act (the "Lock Up Period"); *provided, however* , that nothing contained in this section shall prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company and/or the underwriter(s) that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your shares of Common Stock until the end of such period. The underwriters of the Company's stock are intended third party beneficiaries of this Section 8(d) and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

9. T RANSFERABILITY . Your option is not transferable, except by will, by the laws of descent and distribution, or pursuant to a domestic relations order, and is exercisable during your life only by you. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, shall thereafter be entitled to exercise your option.

10. Right of First Refusal. Shares of Common Stock that you acquire upon exercise of your option are subject to any right of first refusal that may be described in the Company's bylaws in effect at such time the Company elects to exercise its right; *provided, however*, that if your option is an Incentive Stock Option and the right of first refusal described in the Company's bylaws in effect at the time the Company elects to exercise its right is more beneficial to you than the right of first refusal described in the Company's bylaws on the Date of Grant, then the right of first refusal described in the Company's bylaws on the Date of Grant shall apply. The Company's right of first refusal shall expire on the Listing Date. For purposes of this Agreement, Listing Date shall mean the first date upon which any security of the Company is listed (or approved for listing) upon notice of issuance on a national securities exchange or on the National Market System of the Nasdaq Stock Market (or any successor to that entity).

11. Right of Repurchase. To the extent provided in the Company's bylaws in effect at such time the Company elects to exercise its right, the Company shall have the right to repurchase all or any part of the shares of Common Stock you acquire pursuant to the exercise of your option.

12. Option Not a Service Contract. Your option is not an employment or service contract, and nothing in your option shall be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in your option shall obligate the Company or an Affiliate, their respective stockholders, Boards of Directors, Officers or Employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

13. Withholding Obligations.

(a) At the time you exercise your option, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise of your option.

(b) Upon your request and subject to approval by the Company, in its sole discretion, and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested shares of Common Stock otherwise issuable to you upon the exercise of your option a number of whole shares of Common Stock having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid variable award accounting). If the date of determination of any tax withholding obligation is deferred to a date later than the date of exercise of your option, share withholding pursuant to the preceding sentence shall not be permitted unless you make a proper and timely election under Section 83(b) of the Code, covering the aggregate number of shares of Common Stock acquired upon such exercise with respect to which such determination is otherwise deferred, to accelerate the

determination of such tax withholding obligation to the date of exercise of your option. Notwithstanding the filing of such election, shares of Common Stock shall be withheld solely from fully vested shares of Common Stock determined as of the date of exercise of your option that are otherwise issuable to you upon such exercise. Any adverse consequences to you arising in connection with such share withholding procedure shall be your sole responsibility.

(c) You may not exercise your option unless the tax withholding obligations of the Company and/or any Affiliate are satisfied. Accordingly, you may not be able to exercise your option when desired even though your option is vested, and the Company shall have no obligation to issue a certificate for such shares of Common Stock or release such shares of Common Stock from any escrow provided for herein unless such obligations are satisfied.

14. NOTICES. Any notices provided for in your option or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

15. GOVERNING PLAN DOCUMENT. Your option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your option and those of the Plan, the provisions of the Plan shall control.

ATTACHMENT II

TRINET GROUP, INC.
2000 EQUITY INCENTIVE PLAN

ATTACHMENT III

NOTICE OF EXERCISE

Exhibit 10.13

FIRST LIEN CREDIT AGREEMENT

dated as of
August 20, 2013,

among

TRINET HR CORPORATION,

as Borrower,

TRINET GROUP, INC.,

the LENDERS from time to time party hereto

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

MORGAN STANLEY SENIOR FUNDING, INC.,
BANK OF AMERICA, N.A., and
DEUTSCHE BANK SECURITIES INC.,
as Co-Syndication Agents,

KEYBANK NATIONAL ASSOCIATION,
as Documentation Agent

J.P. MORGAN SECURITIES LLC,
MORGAN STANLEY SENIOR FUNDING, INC.,
BANK OF AMERICA, N.A., and
DEUTSCHE BANK SECURITIES INC.,

as Joint Lead Arrangers and Bookrunners

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FIRST LIEN CREDIT AGREEMENT dated as of August 20, 2013, among TRINET HR CORPORATION, as Borrower, TRINET GROUP, INC., the LENDERS from time to time party hereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

" ABR ", when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, shall bear interest at a rate determined by reference to the Alternate Base Rate.

" Accepting Lenders " has the meaning set forth in Section 2.23(a).

" ACH Indebtedness " means Indebtedness incurred by Holdings or its Subsidiaries in the ordinary course of business in respect of automated clearinghouse obligations.

" Adjusted LIBO Rate " means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate. Notwithstanding the foregoing, for purposes of calculating interest applicable to Tranche B-2 Term Loans (including in connection with any determination of the Alternate Base Rate for Tranche B-2 Term Loans), the Adjusted LIBO Rate will be deemed to be 1.00% per annum on any day when it would otherwise be less than 1.00% per annum.

" Administrative Agent " means JPMorgan Chase Bank, N.A., in its capacity as administrative agent hereunder and under the other Loan Documents, and its successors in such capacity as provided in Article VIII.

" Administrative Questionnaire " means an administrative questionnaire in a form supplied by the Administrative Agent.

" Affiliate " means, with respect to a specified Person, another Person that directly or indirectly Controls or is Controlled by or is under common Control with the Person specified; provided , however , that for purposes of Section 6.09, the term "Affiliate" shall also include any Person that, directly or indirectly through one or more intermediaries, owns 5% or more of any class of Equity Interests of the Person specified (other than, in the case of Equity Interests of Holdings, any such Person that first

acquired such 5% ownership after an IPO) or that is an officer or director of the Person specified.

" Affiliated Assignment and Assumption " means an assignment and assumption entered into by a Lender and an Eligible Assignee, with the consent of any Person whose consent is required by Section 9.04, and accepted by the Administrative Agent, substantially in the form of Exhibit A-2 or any other form approved by the Administrative Agent.

" Aggregate Revolving Commitment " means at any time the sum of the Revolving Commitments of all the Revolving Lenders at such time, as the same may be increased or reduced from time to time.

" Aggregate Revolving Exposure " means at any time the sum of the Revolving Exposures of all the Revolving Lenders at such time.

" Agreement " means this First Lien Credit Agreement, as the same may be modified, amended and/or supplemented from time to time.

" AIG Contract " means the documents listed on Schedule 6.10A to the Disclosure Letter evidencing the service and financial relationship among AIG and its Affiliates, the Borrower, Archimedes and the Reinsurance Captive Asset Management Program, pursuant to which collateral is retained for a period of time to secure the workers compensation claims payment and administrative fee obligations of the Borrower and Archimedes, pursuant to the workers compensation program of the Borrower and any of its operating subsidiaries.

" Alternate Base Rate " means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus $^{1}/_{2}$ of 1% and (c) the Adjusted LIBO Rate on such day (or if such day is not a Business Day, the immediately preceding Business Day) for a deposit in dollars with a maturity of one month plus 1%. For purposes of clause (c) above, the Adjusted LIBO Rate on any day shall be based on the rate per annum determined in accordance with the definition of "LIBO Rate" herein, as the screen or quoted rate at approximately 11:00 a.m., London time, on such day for deposits in dollars with a maturity of one month. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective as of the opening of business on the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

" Alternative Incremental Facility Indebtedness " means any Indebtedness incurred by the Borrower in the form of one or more series of secured bonds, debentures, notes or similar instruments; provided that (a), (i) such Indebtedness shall be secured by the Collateral on a *pari passu* basis (but without regard to the control of remedies) with the Obligations and shall not be secured by any property or assets of Holdings, the Borrower or any of the other Subsidiaries other than the Collateral, (ii) the security agreements relating to such Indebtedness are substantially the same as the Security

Documents (with such differences as are satisfactory to the Administrative Agent) and (iii) a Senior Representative acting on behalf of the holders of such Indebtedness shall have become party to the Pari Passu Intercreditor Agreement (provided that if the Pari Passu Intercreditor Agreement has not previously been executed and delivered, then Holdings, the Borrower, the other Subsidiary Loan Parties, the Administrative Agent and the Senior Representative for such Indebtedness shall have executed and delivered the Pari Passu Intercreditor Agreement), (b) such Indebtedness does not mature earlier than the Latest Maturity Date in effect hereunder at the time of incurrence thereof and has a weighted average life to maturity no shorter than that of such Class of Term Loans, (c) such Indebtedness contains covenants, events of default and other terms that are customary for similar Indebtedness in light of then-prevailing market conditions and, when taken as a whole (other than interest rates, fees and optional prepayment or redemption terms), are substantially identical to, or are not more restrictive to Holdings, the Borrower and the Subsidiaries than, those set forth in the Loan Documents (other than covenants or other provisions applicable only to periods after the Latest Maturity Date then in effect); provided that a certificate of a Financial Officer of the Borrower delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness or the modification, refinancing, refunding, renewal or extension thereof (or such shorter period of time as may reasonably be agreed by the Administrative Agent), together with a reasonably detailed description of the material terms and conditions of such resulting Indebtedness or drafts of the material definitive documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements shall be conclusive unless the Administrative Agent provides notice to the Borrower of its reasonable objection during such period together with a reasonable description of the basis upon which it objects, (d) such Indebtedness does not provide for any amortization, mandatory prepayment, redemption or repurchase (other than upon a change of control, fundamental change, or upon conversion or exchange in the case of convertible or exchangeable Indebtedness, customary asset sale or event of loss, mandatory offers to purchase and customary acceleration rights after an event of default) prior to the Latest Maturity Date then in effect and (e) such Indebtedness is not guaranteed by any Person other than Holdings and Subsidiaries that are Subsidiary Loan Parties. Alternative Incremental Facility Indebtedness will include any Registered Equivalent Notes issued in exchange therefor.

" Anti-Corruption Laws " means the United States Foreign Corrupt Practices Act of 1977 and all other laws, rules, and regulations of any jurisdiction applicable to Holdings, the Borrower and the Subsidiaries concerning or relating to bribery or corruption.

" Anti-Terrorism Law " means any Requirement of Law relating to money laundering or financing terrorism, including the USA Patriot Act, the Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act of 1970", 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959), the Trading With the Enemy Act of 1917 (50 U.S.C. §1 et seq.) and Executive Order 13224 (effective September 24, 2001).

" Applicable Percentage " means, at any time, with respect to any Revolving Lender, the percentage of the Aggregate Revolving Commitment represented by such Lender's Revolving Commitment at such time, subject to adjustment as required to give effect to any reallocation of LC Exposure or Swingline Exposure made pursuant to paragraph (a)(iv) of Section 2.20. If the Revolving Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments of Revolving Loans, LC Exposures and Swingline Exposures that occur after such termination or expiration and to any Revolving Lender's status as a Defaulting Lender at the time of determination.

" Applicable Rate " means, for any day, (a) with respect to any Tranche B-1 Term Loan, (i) 2.75% per annum, in the case of an ABR Loan, and (ii) 3.75% per annum, in the case of a Eurodollar Loan, (b) with respect to any Tranche B-2 Term Loan, (x) at such times as any Second Lien Indebtedness is outstanding, (i) 3.00% per annum, in the case of an ABR Loan, and (ii) 4.00% per annum, in the case of a Eurodollar Loan, and (y) at such times as no Second Lien Indebtedness is outstanding, (i) 2.75% per annum, in the case of an ABR Loan, and (ii) 3.75% per annum, in the case of a Eurodollar Loan, (c) with respect to any Revolving Loan that is an ABR Loan or a Eurodollar Loan, the applicable rate per annum set forth below under the caption "ABR Spread" or "Eurodollar Spread", respectively, based upon the First Lien Leverage Ratio as of the end of the fiscal quarter of the Borrower for which consolidated financial statements have theretofore been most recently delivered pursuant to Sections 5.01(a) or 5.01(b), and (d) with respect to any Incremental Term Loan of any Series, the rate per annum specified in the Incremental Facility Amendment establishing the Incremental Term Commitments of such Series; provided that, for purposes of clause (c), until the date of the delivery of the consolidated financial statements pursuant to Section 5.01 including the fiscal quarter ended September 30, 2013, the Applicable Rate shall be based on the rates per annum set forth in Category III:

Level	First Lien Leverage Ratio	ABR Spread	Eurodollar Spread
I	Less than 2.50 to 1.0	2.25%	3.25%
II	Greater than or equal to 2.50 to 1.0, but less than 3.25 to 1.0	2.50%	3.50%
III	Greater than or equal to 3.25 to 1.0	2.75%	3.75%

For purposes of the foregoing, each change in the Applicable Rate resulting from a change in the First Lien Leverage Ratio shall be effective during the period commencing on and including the Business Day following the date of delivery to the Administrative Agent pursuant to Section 5.01(a) or 5.01(b) of the consolidated financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change. Notwithstanding the foregoing, unless waived by the Required Lenders, the Applicable Rate shall be based on the rates per annum set forth in Category III if the Borrower fails to deliver the consolidated financial statements required to be delivered pursuant to Section 5.01(a) or 5.01(b) or any Compliance Certificate required to be delivered pursuant hereto, in each case within the

time periods specified herein for such delivery, during the period commencing on and including the day of the occurrence of a Default resulting from such failure and until the delivery thereof.

" Approved Fund " means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in commercial loans and similar extensions of credit in the ordinary course of its activities and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

" Archimedes " means Archimedes Risk Solutions LTD, a Bermuda corporation, and a direct, wholly-owned Subsidiary of the Borrower.

" Arrangers " means J.P. Morgan Securities LLC, Morgan Stanley Senior Funding, Inc., Bank of America, N.A. and Deutsche Bank Securities Inc., in their capacities as joint lead arrangers and bookrunners for the credit facilities provided for herein.

" Assignment and Assumption " means an assignment and assumption entered into by a Lender and an Eligible Assignee, with the consent of any Person whose consent is required by Section 9.04, and accepted by the Administrative Agent, substantially in the form of Exhibit A-1 or any other form approved by the Administrative Agent.

" Auction Manager " has the meaning set forth in Section 2.24(a).

" Auction Notice " means an auction notice given by the Borrower in accordance with the Auction Procedures with respect to an Auction Purchase Offer.

" Auction Procedures " means the auction procedures with respect to Auction Purchase Offers set forth in Exhibit C hereto.

" Auction Purchase Offer " means an offer by the Borrower to purchase Term Loans of one or more Classes pursuant to modified Dutch auctions conducted in accordance with the Auction Procedures and otherwise in accordance with Section 2.24.

" Available Domestic Cash " means, on any date, the amount of Unrestricted Cash held on such date by Holdings, the Borrower or any Subsidiary Loan Party, other than Unrestricted Cash held in accounts outside the United States of America.

" Available ECF Amount " means, as of any time, the excess, if any, of:

(a) the Cumulative Borrower's ECF Share; over

(b) the sum of all Investments made prior to such time in reliance on Section 6.04(s)(iii), plus all Restricted Payments made prior to such time in reliance on Section 6.08(a)(ix)(B), plus all expenditures in respect of Indebtedness

made prior to such time in reliance on Section 6.08(b)(viii)(B), in each case utilizing the Available ECF Amount or portions thereof in effect on the date of any such Investment, Restricted Payment or expenditure.

Under no circumstances will the amounts referred to in clause (b) of this definition exceed the amount of the Cumulative Borrower's ECF Share, and the aggregate of all Investments, Restricted Payments and expenditures in respect of Indebtedness made on any date in reliance on the Available ECF Amount on such date may not exceed the amount of the Available ECF Amount on such date.

" Bank of America Accounts " means (a) the deposit accounts and securities accounts set forth on Schedule 1 of the Disclosure Letter, and (b) any additional deposit accounts and securities accounts related thereto at Bank of America, N.A. approved at the Administrative Agent's reasonable discretion.

" Bankruptcy Event " means, with respect to any Person, that such Person has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in, any such proceeding or appointment.

" Base Additional Second Priority Debt Amount " means $50,000,000. For purposes hereof, the Base Additional Second Priority Debt Amount will be deemed to be utilized by the initial $50,000,000 of the Permitted Additional Second Priority Indebtedness incurred under Section 6.01(a)(xiv).

" Base Incremental Amount " means $50,000,000. For purposes hereof, the Base Incremental Amount will be deemed to be utilized by the initial $50,000,000 of Incremental Commitments effected under Section 2.21 and Alternative Incremental Facility Indebtedness incurred under Section 6.01(a)(xiii).

" Board of Governors " means the Board of Governors of the Federal Reserve System of the United States of America.

" Borrower " means TriNet HR Corporation, a California corporation.

" Borrowing " means Loans of the same Class and Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

" Borrowing Request " means a request by the Borrower for a Borrowing in accordance with Section 2.03, which shall be, in the case of a written Borrowing Request, substantially in the form of Exhibit B or any other form approved by the Administrative Agent.

" Business Credit Card Indebtedness " means Indebtedness incurred by the Borrower or its Subsidiaries in the ordinary course of business under a commercial credit card or purchasing card program.

" Business Day " means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City or London are authorized or required by law to remain closed.

" Capital Expenditures " means, for any period, (a) the additions to property, plant and equipment and other capital expenditures of Holdings, the Borrower and the Subsidiaries that are (or should be) set forth in a consolidated statement of cash flows of Holdings for such period prepared in accordance with GAAP and (b) Capital Lease Obligations incurred by Holdings, the Borrower and the Subsidiaries during such period, but excluding in each case any such expenditure (i) constituting reinvestment of the Net Proceeds of any event described in clause (a) or (b) of the definition of the term "Prepayment Event", to the extent permitted by Section 2.11(c), (ii) made by Holdings, the Borrower or any Subsidiary as payment of the consideration for a Permitted Acquisition and related costs and expenses, (iii) made by Holdings, the Borrower or any Subsidiary to effect leasehold improvements to any property leased by Holdings, the Borrower or such Subsidiary as lessee, to the extent that such expenses have been reimbursed by the landlord, (iv) in the form of a substantially contemporaneous exchange of similar property, plant, equipment or other capital assets, except to the extent of cash or other consideration (other than the assets so exchanged), if any, paid or payable by Holdings, the Borrower or any Subsidiary and (v) made with the Net Proceeds from the issuance of Qualified Equity Interests.

" Capital Lease Obligations " of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP (without giving effect to any subsequent changes in GAAP arising out of a change described in the Proposed Accounting Standards Update to Leases (Topic 840) dated August 17, 2010 or a substantially similar pronouncement). The amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP. For purposes of Section 6.02, a Capital Lease Obligation shall be deemed to be secured by a Lien on the property being leased and such property shall be deemed to be owned by the lessee.

" Cash Management Agreement " means an agreement pursuant to which a bank or other financial institution provides Cash Management Services.

" Cash Management Services " means (a) treasury management services (including controlled disbursements, zero balance arrangements, cash sweeps, automated clearinghouse transactions, return items, overdrafts, temporary advances, interest and fees and interstate depository network services) provided to Holdings, the Borrower or any Subsidiary and (b) commercial credit card and purchasing card services provided to Holdings, the Borrower or any Subsidiary.

" CFC " means (a) each Person that is a "controlled foreign corporation" for purposes of the Code, including Archimedes (so long as Archimedes is organized under the laws of Bermuda), and (b) each subsidiary of any such controlled foreign corporation.

" CFC Holding Company " means a Subsidiary, including any Pass-Through Foreign Subsidiary, the sole material assets of which are Equity Interests in one or more CFCs.

" Change in Control " means (a) the failure of Holdings to own, directly or indirectly through wholly-owned Subsidiaries, 100% of the outstanding Equity Interest in the Borrower and each Loan Party (other than Holdings and subject to the release of any Loan Party pursuant to Section 9.14); (b) prior to an IPO, (i) the failure by the Permitted Holders to own, directly or indirectly through one or more wholly-owned subsidiaries, beneficially and of record, Equity Interests in Holdings representing at least 50.1% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests in Holdings or (ii) the inability of the Permitted Holders (including, in the case of General Atlantic, entities within the definition of "General Atlantic" acting collectively) to elect a controlling majority of the board of directors of Holdings; (c) after an IPO (i) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or "group", within the meaning of the Exchange Act and the rules of the SEC thereunder (other than General Atlantic or any employee benefit plan of Holdings or the Subsidiaries or a Person acting in connection with such acquisition as a trustee, agent, fiduciary or administrator of such an employee benefit plan), of Equity Interests representing more than the greater of (A) 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests in Holdings (or, if applicable, the Qualified IPO Parent) and (B) the percentage of then outstanding Voting Stock of Holdings then owned directly, indirectly or beneficially by the Permitted Holders; (d) after an IPO involving a Qualified IPO Parent, the failure of such Qualified IPO Parent to own 100% of the outstanding Equity Interests of Holdings; (e) after an IPO, the occupation of a majority of the seats (other than vacant seats) on the board of directors of Holdings or any Qualified IPO Parent by Persons who were not (i) directors of Holdings on the date hereof, (ii) nominated by the board of directors of Holdings or General Atlantic (or, in the case of any Qualified IPO Parent, appointed by General Atlantic prior to an IPO) or (iii) appointed by directors who were directors of Holdings on the date hereof or were so nominated as provided in subclause (ii) of this clause (e); or (f) the occurrence of any "change in control" (or similar event, however denominated) with respect to Holdings or the Borrower under and as defined in any indenture or other agreement or instrument evidencing, governing the rights of the holders of, or otherwise relating to, any Material Indebtedness of Holdings, the Borrower or any Subsidiary. For the avoidance of doubt, it is understood that an IPO will not, unless it results in an event or circumstance constituting a Change in Control pursuant to the foregoing definition, constitute a Change in Control.

" Change in Law " means the occurrence, after the Effective Date (or with respect to any Lender, any later date on which such Lender initially became a Lender hereunder), of any of the following: (a) the adoption or taking effect of any law, rule,

regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

" Charges " has the meaning set forth in Section 9.13.

" Class ", when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Tranche B-1 Term Loans, Tranche B-2 Term Loans, Incremental Term Loans of any Series, Revolving Loans or Swingline Loans, (b) any Commitment, refers to whether such Commitment is a Term Commitment, an Incremental Term Commitment of any Series or a Revolving Commitment and (c) any Lender, refers to whether such Lender has a Loan or Commitment of a particular Class.

" Co-Syndication Agents " means each of Morgan Stanley Senior Funding, Inc., Bank of America, N.A. and Deutsche Bank Securities Inc., in its capacity as co-syndication agents for the credit facilities established hereunder.

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

" Collateral " means any and all assets, whether real or personal, tangible or intangible, on which Liens are purported to be granted pursuant to the Security Documents as security for the Obligations.

" Collateral Agreement " means the Guarantee and Collateral Agreement among Holdings, the Borrower, the other Loan Parties and the Administrative Agent, substantially in the form of Exhibit D .

" Collateral and Guarantee Requirement " means, at any time, the requirement that:

(a) the Administrative Agent shall have received from Holdings, the Borrower and each Designated Subsidiary (i) either (A) a counterpart of the Collateral Agreement duly executed and delivered on behalf of such Person or (B) in the case of any Person that becomes a Designated Subsidiary after the Effective Date, a supplement to the Collateral Agreement, in the form specified therein, duly executed and delivered on behalf of such Person, together with opinions and documents of the type referred to in paragraphs (b) and (c) of

Section 4.01 with respect to such Person, and (ii) with respect to any such Person that directly owns Equity Interests of a Significant Foreign Subsidiary, a counterpart of each Foreign Pledge Agreement that the Administrative Agent determines, based on the advice of counsel, to be necessary in connection with the pledge of, or the granting of security interests in, Equity Interests of such Foreign Subsidiary (other than Excluded Equity Interests), in each case duly executed and delivered on behalf of such Person and, to the extent required by applicable law or otherwise reasonably requested by the Administrative Agent, such Foreign Subsidiary;

(b) (i) all outstanding Equity Interests of the Borrower and each Significant Subsidiary (other than Excluded Equity Interests), in each case directly owned by or on behalf of any Loan Party, shall have been pledged pursuant to the Collateral Agreement or, in the case of Equity Interests in a Significant Foreign Subsidiary where the Administrative Agent so reasonably requests, a Foreign Pledge Agreement; provided that the Loan Parties shall not be required to pledge (x) more than 65% of the outstanding voting Equity Interests of any first-tier CFC or first-tier CFC Holding Company and no CFC or CFC Holding Company shall be required to pledge any Equity Interests in Subsidiaries of such CFC or CFC Holding Company or (y) any of the outstanding voting Equity Interests of any CFC or CFC Holding Company that are not owned directly by a Loan Party; provided , further , that 100% of the Equity Interests of any Pass-Through Foreign Subsidiary that is a Significant Foreign Subsidiary and that are directly owned by a Loan Party shall be pledged pursuant to the Collateral Agreement or a Foreign Pledge Agreement, and (ii) the Administrative Agent shall, to the extent required by the Collateral Agreement or any such Foreign Pledge Agreement, have received certificates or other instruments representing all such Equity Interests, together with undated stock powers or other instruments of transfer with respect thereto endorsed in blank;

(c) (i) all Indebtedness of Holdings, the Borrower or any Subsidiary and (ii) all other Indebtedness (other than Permitted Investments) of any Person in a principal amount of $1,000,000 or more that, in each case, is owing to any Loan Party shall be evidenced by a promissory note and shall have been pledged pursuant to the Collateral Agreement or a supplement to the Collateral Agreement, and the Administrative Agent shall have received all such promissory notes, together with undated instruments of transfer with respect thereto endorsed in blank;

(d) all documents and instruments, including Uniform Commercial Code financing statements, required by Requirements of Law or reasonably requested by the Administrative Agent to be filed, registered or recorded to create the Liens intended to be created by the Security Documents and perfect such Liens to the extent required by, and with the priority required by, the Security Documents and the other provisions of the term “Collateral and Guarantee Requirement”, shall have been filed, registered or recorded or delivered to the Administrative Agent for filing, registration or recording;

(e) the Administrative Agent shall have received (i) counterparts of a Mortgage with respect to each Mortgaged Property duly executed and delivered by the record owner of such Mortgaged Property, (ii) a policy or policies of title insurance issued by a nationally recognized title insurance company insuring the Lien of each such Mortgage as a valid and enforceable first Lien on the Mortgaged Property described therein, free of any other Liens except as permitted under Section 6.02, together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request, (iii) if any Mortgaged Property is located in an area determined by the Federal Emergency Management Agency to have special flood hazards, evidence of such flood insurance as may be required under applicable law, including Regulation H of the Board of Governors, and (iv) such surveys, abstracts, appraisals and legal opinions, in each case, as the Administrative Agent may reasonably request with respect to any such Mortgage or Mortgaged Property; and

(f) the Administrative Agent shall have received a counterpart, duly executed and delivered by the applicable Loan Party and the applicable depositary bank or securities intermediary, as the case may be, of a Control Agreement with respect to (i) each deposit account maintained by any Loan Party with any depositary bank (other than any Excluded Account) and (ii) each securities account maintained by any Loan Party with any securities intermediary (other than any Excluded Account); provided that the Loan Parties may maintain one or more local depository accounts or securities accounts not subject to a Control Agreement with financial institutions other than the Administrative Agent so long as (x) the balance of any individual deposit account or securities account does not at any time exceed $1,000,000 and (y) the balance of all such deposit and securities accounts does not at any time exceed $3,000,000 in the aggregate; provided , further , that the Loan parties shall have 90 days after the Effective Date or after the formation or acquisition of a new Loan Party, as the case may be, to comply with this paragraph (f).

Notwithstanding the foregoing provisions of this definition or anything in this Agreement or any other Loan Document to the contrary, (a) the Loan Parties shall have the time periods specified in (x) Section 5.15(b) to satisfy the Guarantee and Collateral Requirement with respect to the items specified in Schedule 5.15 and (y) Section 5.12 and Section 5.15(c) to satisfy the Guarantee and Collateral Requirement with respect to Subsidiaries newly acquired or formed (or which first become Designated Subsidiaries) after the Effective Date and with respect to assets acquired after the Effective Date that do not automatically constitute Collateral under the Collateral Agreement, (b) the foregoing provisions of this definition shall not require the creation or perfection of pledges of or security interests in, or the obtaining of title insurance, legal opinions or other deliverables with respect to, particular assets of the Loan Parties, or the provision of Guarantees by any Subsidiary, as to which the Administrative Agent and the Borrower reasonably agree that the cost of creating or perfecting such pledges or security interests in such assets, or obtaining such title insurance, legal opinions or other deliverables in respect of such assets, or providing such Guarantees (taking into account any adverse tax consequences to Holdings, the Borrower and the Subsidiaries (including

the imposition of withholding or other material taxes)), shall be excessive in view of the benefits to be obtained by the Lenders therefrom, (c) Liens required to be granted from time to time pursuant to the term "Collateral and Guarantee Requirement" shall be subject to exceptions and limitations set forth in the Security Documents as in effect on the Effective Date and, to the extent appropriate in the applicable jurisdiction, as reasonably agreed between the Administrative Agent and the Borrower and (d) in no event shall the Collateral include any Excluded Assets. The Administrative Agent may, without the consent of any Lender, grant extensions of time for the creation and perfection of security interests in or the obtaining of title insurance, legal opinions or other deliverables with respect to particular assets or the provision of any Guarantee by any Subsidiary (including extensions beyond the Effective Date or in connection with assets acquired, or Subsidiaries formed or acquired, after the Effective Date) where it and the Borrower reasonably agree that such action cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required to be accomplished by this Agreement or the Security Documents.

" Commitment " means with respect to any Lender, such Lender's Revolving Commitment, Tranche B-1 Term Commitment, Tranche B-2 Term Commitment, an Incremental Term Commitment of any Series or any combination thereof (as the context requires).

" Compliance Certificate " means a Compliance Certificate substantially in the form of Exhibit E or any other form approved by the Administrative Agent.

" Confidential Information Memorandum " means the confidential information memorandum dated as of August 2013, related to the Transactions.

" Connection Income Taxes " means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

" Consolidated EBITDA " means, for any period, Consolidated Net Income for such period, plus

(a) without duplication and to the extent deducted (and not added back) in determining such Consolidated Net Income, the sum of

(i) consolidated interest expense for such period (including imputed interest expense in respect of Capital Lease Obligations);

(ii) provision for taxes based on income, profits or losses, including foreign withholding taxes, and for corporate franchise, capital stock, net worth and value-added taxes, in each case during such period;

(iii) all amounts attributable to depreciation and amortization for such period (excluding amortization expense attributable to a prepaid cash expense that was paid in a prior period);

(iv) any extraordinary losses or charges for such period, determined on a consolidated basis in accordance with GAAP;

(v) any Non-Cash Charges for such period;

(vi) any losses attributable to obligations under any Hedging Agreement (to the extent recognized prior to the occurrence of a termination event with respect thereto) or to early extinguishment of Indebtedness, determined on a consolidated basis in accordance with GAAP for such period;

(vii) expenses incurred during such period that are contemporaneously reimbursed to Holdings, the Borrower or a Subsidiary by a seller pursuant to indemnification provisions in any agreement relating to a Permitted Acquisition;

(viii) non-recurring out-of-pocket transactional fees, costs and expenses relating to Permitted Acquisitions, Investments and Indebtedness incurred outside the ordinary course of business, securities offerings and Dispositions, including legal fees, advisory fees and upfront financing fees;

(ix) Pro Forma Adjustments in connection with Material Acquisitions consummated during such period;

(x) non-recurring out-of-pocket costs fees, and expenses relating to the Transactions incurred during such period, including legal and advisory fees (so long as not incurred after 120 days following the Effective Date), not in excess of $15,000,000 in the aggregate; and

(xi) non-recurring out-of-pocket fees, costs and expenses relating to the incurrence, refinancing, amendment or modification of Indebtedness prior to the Effective Date;

provided that (A) any cash payment made with respect to any Non-Cash Charges added back in computing Consolidated EBITDA for any prior period pursuant to clause (a)(v) above (or that would have been added back had this Agreement been in effect during such prior period) shall be subtracted in computing Consolidated EBITDA for the period in which such cash payment is made and (B) the aggregate amount of all amounts under clauses (a)(viii), (a)(ix) and (a)(xi) that increase Consolidated EBITDA in any Test Period shall not exceed, and shall be limited to, 10% of Consolidated EBITDA in respect of such Test Period (calculated after giving effect to such adjustments and with no carryover of unused amounts into any subsequent period); and minus

(b) without duplication and to the extent included (and not deducted) in determining such Consolidated Net Income, the sum of:

(i) any extraordinary gains for such period, determined on a consolidated basis in accordance with GAAP;

(ii) any non-cash gains for such period, including with respect to write-ups of assets or goodwill, determined on a consolidated basis in accordance with GAAP;

(iii) any gains attributable to the early extinguishment of Indebtedness or obligations under any Hedging Agreement, determined on a consolidated basis in accordance with GAAP for such period;

provided , further that, Consolidated EBITDA for any period shall be calculated so as to exclude (without duplication of any adjustment referred to above) (i) the cumulative effect of any changes in GAAP or accounting principles applied by management during such period and (ii) non-cash foreign translation gains and losses.

" Consolidated First Lien Debt " means, as of any date, the aggregate amount of Consolidated Total Debt of Holdings and the Subsidiaries outstanding on such date, including the Loan Document Obligations, to the extent they constitute Consolidated Total Debt, and the aggregate amount of outstanding Letters of Credit, and including Capital Lease Obligations (excluding Capital Lease Obligations in an aggregate amount not to exceed $1,000,000 at any time outstanding), purchase money indebtedness and other obligations that are properly classified as liabilities on a consolidated balance sheet prepared in accordance with GAAP, that in any case is secured by Liens (other than any Liens on Collateral subordinated to the Liens under the Security Documents securing the Loan Document Obligations) on any property or assets of Holdings, the Borrower or any of the other Subsidiaries.

" Consolidated Net Income " means, for any period, the net income or loss of Holdings, the Borrower and the consolidated Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income of any Person (other than Holdings and the Borrower) that is not a consolidated Subsidiary, except to the extent of the amount of cash dividends or other cash distributions actually paid by such Person to Holdings, the Borrower or, subject to clauses (b) and (c) of this proviso, any consolidated Subsidiary during such period, (b) the income of, and any amounts referred to in clause (a) of this proviso paid to, any Subsidiary to the extent that, on the date of determination, the declaration or payment of cash dividends or other cash distributions by such Subsidiary of that income is not at the time permitted by a Requirement of Law or any agreement or instrument applicable to such Subsidiary, unless such restrictions with respect to the payment of cash dividends and other similar cash distributions have been legally and effectively waived and (c) the income or loss of, and any amounts referred to in clause (a) of this proviso paid to, any consolidated Subsidiary that is not wholly-owned by Holdings to the extent such income or loss or such amounts are attributable to the noncontrolling interest in such consolidated Subsidiary.

" Consolidated Total Debt " means, as of any date of determination, the sum of (a) the aggregate principal amount of Indebtedness of Holdings, the Borrower and the Subsidiaries outstanding as of such date in the amount that would be reflected on a balance sheet prepared as of such date on a consolidated basis in accordance with GAAP, plus (b) the aggregate principal amount of Indebtedness of Holdings, the Borrower and the Subsidiaries outstanding as of such date (including in respect of Letters of Credit, but excluding purchase price adjustments and other Indebtedness of the type described in clause (i) of the third sentence of the definition of Indebtedness or Guarantees of obligations of Holdings, the Borrower or any Subsidiary not constituting Indebtedness) that is not required to be reflected on a balance sheet prepared as of such date on a consolidated basis in accordance with GAAP, in each case without giving effect to any election to value any Indebtedness at "fair value", as described in Section 1.04(a), or any other accounting principle that results in the amount of any such Indebtedness (other than zero coupon Indebtedness) as reflected on such balance sheet to be below the stated principal amount of such Indebtedness.

" Control " means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, or the dismissal or appointment of the management, of a Person, whether through the ability to exercise voting power, by contract or otherwise. " Controlling " and " Controlled " have meanings correlative thereto.

" Control Agreement " means, with respect to any deposit account or securities account maintained by any Loan Party, a control agreement in form and substance satisfactory to the Administrative Agent, duly executed and delivered by such Loan Party and the depositary bank or the securities intermediary, as the case may be, with which such account is maintained.

" Credit Party " means the Administrative Agent, each Issuing Bank, the Swingline Lender and each other Lender.

" Cumulative Borrower's ECF Share " means, as of any date of determination, for each fiscal year (commencing with the fiscal year ending December 31, 2014) with respect to which a Compliance Certificate has been delivered in connection with the delivery of annual or quarterly financial statements pursuant to Section 5.01(a), the sum (in no event less than zero) of the amounts shown in such Compliance Certificates as the amounts of Excess Cash Flow for such fiscal year covered by such Compliance Certificates, less in each case the amount of such Excess Cash Flow (including for the avoidance of doubt, but without duplication, all ECF Shortfall Amounts) required to be applied to prepay (a) Term Loans (or Incremental Term Loans) pursuant to Section 2.11(d), (b) term loans under the Second Lien Credit Agreement pursuant to Section 2.11(c) thereof, (c) any Alternative Incremental Facility Indebtedness pursuant to any comparable provision thereof or (d) any Refinancing Indebtedness in respect of this Agreement, the Second Lien Credit Agreement or any Alternative Incremental Facility Indebtedness pursuant to any comparable provision thereof.

" Cure Deadline " has the meaning set forth in Section 7.02.

" Cure Right " has the meaning set forth in Section 7.02.

" Debt Fund Affiliate " means any fund managed by, under common management with, or otherwise an Affiliate of, General Atlantic or a portfolio company thereof that is a bona fide diversified debt fund or an investment vehicle that is primarily engaged in the making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course.

" Debtor Relief Laws " shall mean the United States Bankruptcy Code and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United States of America or other applicable jurisdictions affecting the rights of creditors generally from time to time in effect.

" Default " means any event or condition that constitutes, or upon notice, lapse of time or both would constitute, an Event of Default.

" Defaulting Lender " means any Revolving Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Revolving Lender notifies the Administrative Agent in writing that such failure is the result of such Revolving Lender's good faith determination that a condition precedent to funding (specifically identified in such writing, including, if applicable, by reference to a specific Default) has not been satisfied, (b) has notified Holdings, the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Revolving Lender's good faith determination that a condition precedent to funding (specifically identified in such writing, including, if applicable, by reference to a specific Default) cannot be satisfied), (c) has failed, within three Business Days after request by a Credit Party, made in good faith, to provide a certification in writing from an authorized officer of such Revolving Lender that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement; provided that such Revolving Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such written certification, (d) has become the subject of a Bankruptcy Event or (e) has had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or its Revolving Lender Parent by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority)

to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Revolving Lender is a Defaulting Lender under any one or more of clauses (a) through (e) above shall be conclusive and binding absent manifest error, and such Revolving Lender shall be deemed to be a Defaulting Lender (subject to Section 2.20) upon delivery of written notice of such determination to the Borrower, each Issuing Bank, the Swingline Lender and each other Lender.

" Designated Hedging Agreements " means (a) the Hedging Agreement between HSBC Bank USA, National Association, and Holdings subject to a confirmation dated as of December 13, 2012 under an ISDA master agreement, and (b) the Hedging Agreement between Bank of America, N.A., and Holdings subject to a confirmation dated as of May 30, 2012 under an ISDA master agreement.

" Designated Subsidiary " means each Subsidiary that is not an Excluded Subsidiary.

" Disclosure Letter " means the Disclosure Letter dated the date hereof delivered to the Administrative Agent and the Lenders in respect of this Agreement.

" Disposition " has the meaning set forth in Section 6.05.

" Disqualified Equity Interest " means, with respect to any Person, any Equity Interest in such Person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, either mandatorily or at the option of the holder thereof), or upon the happening of any event or condition:

(a) matures or is mandatorily redeemable (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests), whether pursuant to a sinking fund obligation or otherwise;

(b) is convertible or exchangeable, either mandatorily or at the option of the holder thereof, for Indebtedness or Equity Interests (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests); or

(c) is redeemable (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests) or is required to be repurchased by the Borrower or any Subsidiary, in whole or in part, at the option of the holder thereof;

in each case, on or prior to the date 91 days after the Latest Maturity Date (determined as of the date of issuance thereof or, in the case of any such Equity Interests outstanding on the date hereof, the date hereof); provided , however , that (i) an Equity Interest in any Person that would not constitute a Disqualified Equity Interest but for terms thereof giving holders thereof the right to require such Person to redeem or purchase such Equity Interest upon the occurrence of an "asset sale", initial public offering or a "change in

control" (or similar event, however denominated) shall not constitute a Disqualified Equity Interest if any such requirement becomes operative only after repayment in full of all the Loans and all other Loan Document Obligations that are accrued and payable, the cancellation or expiration of all Letters of Credit and the termination or expiration of the Commitments and (ii) an Equity Interest in any Person that is issued to any employee or to any plan for the benefit of employees or by any such plan to such employees shall not constitute a Disqualified Equity Interest solely because it may be required to be repurchased by such Person or any of its subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

" Disqualified Lender " means any Person set forth on Schedule 1.01B.

" Dividend " means (i) one or more payments by the Borrower on the Effective Date, with the proceeds from the Term Loans and the term loans under the Second Lien Credit Agreement, of a dividend or distribution to Holdings in an aggregate amount, of up to $360,000,000 and (ii) one or more payments by Holdings on or after the Effective Date, with the proceeds of such dividend or distribution referred to in clause (i), of one or more dividends or other distributions to holders of its Equity Interests and to fund tax liabilities relating to such dividend or distribution to its option holders.

" Documentation Agent " means KeyBank National Association, in its capacity as documentation agent for the credit facilities established hereunder.

" dollars " or " $ " refers to lawful money of the United States of America.

" Domestic Subsidiary " means any Subsidiary incorporated or organized under the laws of the United States of America, any State thereof or the District of Columbia.

" ECF Shortfall Amount " has the meaning set forth in Section 2.11(h).

" ECF Sweep Payment Date " has the meaning set forth in Section 2.11(d).

" ECF Year " has the meaning set forth in Section 2.11(d).

" Effective Date " means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

" Eligible Assignee " means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, (d) any bank and (e) any other financial institution or investment fund engaged as a primary activity in the ordinary course of its business in making or investing in commercial loans or debt securities, other than, in each case, (i) a natural person, (ii) a Disqualified Lender or (iii) except to the extent permitted under Sections 2.24, 9.04(e) and 9.04(f), Holdings, the Borrower, any Subsidiary or any other Affiliate of Holdings.

" Environmental Laws " means all rules, regulations, codes, ordinances, judgments, orders, decrees and other laws, and all injunctions, notices or binding

agreements, issued, promulgated or entered into by any Governmental Authority and relating in any way to (a) the environment, (b) preservation or reclamation of natural resources, (c) the management, Release or threatened Release of any Hazardous Material or (d) health or safety matters.

" Environmental Liability " means any liability, obligation, loss, claim, action, order or cost, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties and indemnities), directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

" Equity Interests " means shares of capital stock, partnership interests, membership interests, beneficial interests in a trust or other equity ownership interests (whether voting or non-voting) in, or interests in the income or profits of, a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing (other than, prior to the date of such conversion, Indebtedness that is convertible into Equity Interests).

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended.

" ERISA Affiliate " means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or 414(c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

" ERISA Event " means (a) any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) any failure by any Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, in each case whether or not waived, (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) a determination that any Plan is, or is expected to be, in "at risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code), (e) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, (f) the receipt by the Borrower or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (g) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan or (h) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any of its ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a

Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA, or in endangered or critical status, within the meaning of Section 305 of ERISA.

" Eurodollar ", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bear interest at a rate determined by reference to the Adjusted LIBO Rate.

" Event of Default " has the meaning set forth in Section 7.01.

" Excess Cash Flow " means, for any fiscal year, an amount equal to:

(a) the sum, without duplication, of:

(i) the consolidated net income or loss of Holdings, the Borrower and the consolidated Subsidiaries for such fiscal year, adjusted to exclude (x) net income or loss of any consolidated Subsidiary that is not wholly-owned by Holdings to the extent such income or loss is attributable to the non-controlling interest in such consolidated Subsidiary and (y) any gains or losses attributable to Prepayment Events;

(ii) depreciation, amortization and other non-cash charges, expenses or losses, including the non-cash portion of interest expense, deducted in determining such consolidated net income or loss for such fiscal year; and

(iii) the sum of (x) the amount, if any, by which Net Working Capital decreased during such fiscal year (except as a result of the reclassification of items from short-term to long-term or vice-versa), (y) the net amount, if any, by which the consolidated deferred revenues and other consolidated accrued long-term liability accounts of Holdings, the Borrower and the consolidated Subsidiaries increased during such fiscal year and (z) the net amount, if any, by which the consolidated accrued long-term asset accounts of Holdings, the Borrower and the consolidated Subsidiaries decreased during such fiscal year;

minus

(b) the sum, without duplication, of:

(i) the amount of all non-cash gains included in arriving at such consolidated net income or loss for such fiscal year;

(ii) the sum of (x) the amount, if any, by which Net Working Capital increased during such fiscal year (except as a result of the reclassification of items from long-term to short-term or vice-versa), (y) the net amount, if any, by which the consolidated deferred revenues and other consolidated accrued long-term liability accounts of Holdings, the Borrower and the consolidated Subsidiaries decreased during such fiscal year and (z) the net amount, if any, by which the

consolidated accrued long-term asset accounts of Holdings, the Borrower and the consolidated Subsidiaries increased during such fiscal year;

(iii) the sum of, in each case except to the extent financed with Excluded Sources, of (w) the aggregate amount of Capital Expenditures by Holdings, the Borrower and the consolidated Subsidiaries made in cash for such fiscal year (except to the extent attributable to the incurrence of Capital Lease Obligations), (x) the aggregate amount of cash consideration paid during such fiscal year by Holdings, the Borrower and the consolidated Subsidiaries to make Permitted Acquisitions and other Investments (other than Investments in cash, cash equivalents or Permitted Investments), except to the extent made in reliance on the Available ECF Amount, (y) to the extent not deducted in arriving at net income or loss or pursuant to the other clauses of this definition, the amount of Restricted Payments paid to Persons other than Holdings, the Borrower or any Subsidiaries during such period pursuant to Section 6.08(a), other than Restricted Payments made in reliance on the Available ECF Amount, and (z) payments in cash made by the Borrower and its consolidated Subsidiaries with respect to any noncash charges added back pursuant to clause (a)(ii) above in computing Excess Cash Flow for any prior fiscal year; and

(iv) the aggregate principal amount of Long-Term Indebtedness repaid or prepaid in cash by Holdings, the Borrower and the consolidated Subsidiaries during such fiscal year, whether voluntary, scheduled or mandatory, excluding (u) Indebtedness in respect of Revolving Loans and Letters of Credit or other revolving extensions of credit (except to the extent that any repayment or prepayment of such Indebtedness is accompanies by a permanent reduction in related commitments), (v) Term Loans (or Incremental Term Loans) prepaid pursuant to Section 2.11(c), (d) or (e), (w) term loans prepaid under the Second Lien Credit Agreement pursuant to Section 2.11 (b), (c) or (d) thereof, (x) any Alternative Incremental Facility Indebtedness prepaid pursuant to any comparable provision thereof, (y) any Refinancing Indebtedness in respect of this Agreement, the Second Lien Credit Agreement or any Alternative Incremental Facility Indebtedness prepaid pursuant to any comparable provision thereof and (z) repayments or prepayments of Long-Term Indebtedness (A) made under Section 6.08(b)(viii) in reliance on the Available ECF Amount and (B) to the extent financed from Excluded Sources;

Notwithstanding any other provision of this Agreement, amounts expended in connection with (i) acquiring Term Loans under Section 2.24 and (ii) assignments of Term Loans pursuant to Section 9.04(e) or (f) shall not reduce or be credited against Excess Cash Flow.

" Exchange Act " means the United States Securities Exchange Act of 1934.

" Excluded Accounts " means (a) deposit and/or securities accounts the balance of which consists exclusively of (i) withheld income taxes and federal, state or

local employment taxes in such amounts as are required in the reasonable judgment of Holdings to be paid to the IRS or state or local government agencies within the following two months with respect to employees of any of the Loan Parties or (ii) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 2510.3-102 on behalf of or for the benefit of employees of one or more Loan Parties, (b) all segregated deposit and/or securities accounts established as and constituting (and the balance of which consists solely of funds set aside in connection with) tax accounts, payroll accounts, trust accounts and collateral accounts related to obligations not prohibited by this Agreement, (c) the Bank of America Accounts, (d) any deposit accounts maintained with a financial institution, other than the Administrative Agent or a Lender, exclusively established to cash collateralize letters of credit not issued under this Agreement, (e) any deposit or securities accounts established and used solely to cash collateralize obligations in respect of Business Credit Card Indebtedness or ACH Indebtedness permitted by this Agreement or otherwise constituting a Permitted Encumbrance, (f) the transfer agent services account with Registrar and Transfer Company and (g) any foreign deposit or securities accounts of the Loan Parties.

" Excluded Assets " means (a) any asset if, to the extent and for so long as the grant of a Lien thereon to secure the Loan Document Obligations is prohibited by any Requirements of Law (other than to the extent that any such prohibition would be rendered ineffective pursuant to any other applicable Requirements of Law); (b) any leasehold interests; (c) motor vehicles and other assets subject to certificate of title; (d) letter of credit rights (except to the extent perfection can be obtained by the filing of uniform commercial code financing statements) with a value of less than $5,000,000; (e) any contract, lease, instrument, permit, license, authorization or other agreement to the extent that a grant of a security interest therein (other than, in any case, in proceeds or receivables thereof) would violate or invalidate such contract, lease, instrument, permit, license, authorization or other agreement or create a right of termination in favor of any other party thereto (other than Holdings, the Borrower or a Loan Party), in each case only to the extent the relevant provision is not rendered ineffective under the Uniform Commercial Code or other applicable law (provided that the foregoing will not limit the Liens under the Security Documents on monies due or to become due under any such contract, lease, instrument, permit, license, authorization or other agreement); (f) any governmental licenses or state or local franchises, charters and authorizations, to the extent security interests in such licenses, franchises, charters or authorizations are prohibited or restricted thereby (except to the extent such prohibition or restriction is deemed ineffective under the Uniform Commercial Code or other applicable law); (g) any intent to use application at the United States Patent and Trademark Office with respect to trademarks for which a statement of use has not been filed; (h) any Excluded Equity Interests; (i) any fee interest in real property with a fair market value of less than $5,000,000; (j) assets held in collateral trust or escrow arrangements maintained with unaffiliated parties under the AIG Contract or otherwise held on behalf of the TEB Trust; (k) any rights under or with respect to any workers compensation fronting agreement to the extent that such agreement by its terms, by contract or by law, prohibits the assignment of, or the granting of a Lien with respect to, the rights of a grantor thereunder or which would be invalid or unenforceable upon any such assignment or grant (the " Restricted Assets "); provided that (i) the proceeds of any Restricted Asset shall continue

to be deemed to be Collateral and (ii) this provision shall not limit the grant of any lien on or assignment of any Restricted Asset to the extent that the Uniform Commercial Code or any other applicable law provides that such grant of a lien or assignment is effective regardless of any prohibitions on such grant provided in any Restricted Asset (or the underlying documents related thereto); (l) any asset subject to a purchase money security interest, Capital Lease Obligation or Lien under a similar financing arrangement permitted under this Agreement to the extent the grant of a Lien on such asset under the Security Documents would (i) result in a breach or violation of, or constitute a default under, the agreement or instrument governing such purchase money or other financing arrangement or Capital Lease Obligation, (ii) result in the loss of use of such asset or (iii) permit the other party to such arrangement or Capital Lease Obligation to terminate the Borrower's or any Subsidiary's right to use such asset; (m) the Equity Interests and assets of the TEB Trust; (n) the assets or Equity Interests of any joint venture permitted under this Agreement to the extent and for so long as the granting of security interests in such assets or Equity Interests would be prohibited by the Organizational Documents or shareholder agreements or similar contracts between the owners of the Equity Interests of such joint venture, (o) any Commercial Tort Claim with a value of less than $1,000,000 and (p) any assets held by the Borrower in its accounts designated as "Work Site Employee Assets".

" Excluded Equity Interests " means (a) any Equity Interests that consist of voting stock of a Subsidiary that is a CFC or a CFC Holding Company in excess of 65% of the outstanding voting stock (or 65% of the outstanding Equity Interests in the case of an entity that is not a corporation for U.S. tax purposes) of such Subsidiary (excluding, for the avoidance of doubt Equity Interests in Pass-Through Foreign Subsidiaries directly owned by Loan Parties), (b) any Equity Interests if, to the extent, and for so long as, the grant of a Lien thereon to secure the Loan Document Obligations is effectively prohibited by any Requirements of Law; provided that such Equity Interest shall cease to be an Excluded Equity Interest at such time as such prohibition ceases to be in effect, and (c) Equity Interests in joint ventures permitted under this Agreement to the extent and for so long as the granting of security interests in such Equity Interests would be prohibited by the Organizational Documents or shareholder agreements or similar contracts between the owners of the Equity Interests of such joint venture; provided that such Equity Interest shall cease to be an Excluded Equity Interest at such time as such prohibition ceases to be in effect.

" Excluded Sources " means (a) proceeds of any incurrence or issuance of Long-Term Indebtedness, Capital Lease Obligations or Synthetic Lease Obligations, (b) the Net Proceeds of any Disposition of assets made outside the ordinary course of business, and (c) proceeds of any issuance or sale of Equity Interests in Holdings, the Borrower or any Subsidiary, or any capital contributions to Holdings, the Borrower or any Subsidiary (other than, in each case, issuances or sales to, or contributions made by, Holdings, the Borrower or any Subsidiary).

" Excluded Subsidiary " means (a) any Domestic Subsidiary that is not a wholly-owned Significant Subsidiary, (b) any Subsidiary that is a CFC, a CFC Holding Company or a Pass-Through Foreign Subsidiary (and accordingly, in no event shall a

CFC, a CFC Holding Company or a Pass-Through Foreign Subsidiary be required to enter into any Security Document or pledge any assets hereunder), (c) any Subsidiary that is prohibited by Requirements of Law from guaranteeing the Loan Document Obligations and (d) the TEB Trust; provided that any Subsidiary (other than the TEB Trust) shall cease to be an Excluded Subsidiary at such time as none of clauses (a), (b) or (c) above apply to it.

" Excluded Taxes " means any of the following Taxes imposed on or with respect to a Credit Party or required to be withheld or deducted from a payment to a Credit Party: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed as a result of such Credit Party being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. Federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in such Loan or Borrowing or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Credit Party's failure to comply with Section 2.17(f) and (d) any U.S. Federal withholding Taxes imposed under FATCA.

" Excluded Term Lender " means any Term Lender that, if it were a Revolving Lender, would be a Defaulting Lender pursuant to clause (d) or (e) of the definition of Defaulting Lender herein, and the Administrative Agent shall make such determination and give notice thereof in accordance with, and with the effect specified, in the last sentence of such definition.

" Existing Credit Agreement " means the Amended and Restated Credit Agreement dated as of October 24, 2012, among TriNet HR Corporation and SOI Holdings, Inc., as borrowers, Holdings and certain Subsidiaries, as guarantors, the lenders party thereto and KeyBank National Association, as administrative agent, as amended and in effect on the date hereof.

" Fair Labor Standards Act " means the Fair Labor Standards Act, 29 U.S.C. §§ 201 et seq.

" FATCA " means Sections 1471 through 1474 of the Code, as of the date hereof (including any amended or successor version thereof that is substantively comparable and not materially more onerous to comply with), and any current or future regulations or official interpretations thereof.

" Federal Funds Effective Rate " means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

" Financial Covenant " means the covenant set forth in Section 6.12(a).

" Financial Officer " means, with respect to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

" First Lien Leverage Ratio " means, on any date, the ratio of (a) Consolidated First Lien Debt as of such date minus the lesser of Available Domestic Cash as of such date and $50,000,000 to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters of Holdings most recently ended on or prior to such date in respect of which financial statements have been delivered pursuant to Section 5.01(a) or (b) or, for purposes of Section 6.12(a), the Test Period ended on such date.

" First Lien/Second Lien Intercreditor Agreement " means the First Lien/Second Lien Intercreditor Agreement substantially in the form of Exhibit G-1 .

" Foreign Lender " means any Lender that is not a U.S. Person.

" Foreign Pension Plan " means any benefit plan that under applicable law of any jurisdiction other than the United States is required to be funded through a trust or other funding vehicle other than a trust or funding vehicle maintained exclusively by a Governmental Authority.

" Foreign Pledge Agreement " means a pledge or charge agreement granting a Lien on Equity Interests in a Foreign Subsidiary to secure the Obligations, governed by the law of the jurisdiction of organization of such Foreign Subsidiary and in form and substance reasonably satisfactory to the Administrative Agent.

" Foreign Subsidiary " means any Subsidiary that is not a Domestic Subsidiary.

" Fronting Exposure " means, at any time there is a Defaulting Lender, (a) with respect to any Issuing Bank, such Defaulting Lender's Applicable Percentage of the outstanding LC Exposure with respect to Letters of Credit issued by such Issuing Bank other than LC Exposure as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or cash collateralized in accordance with the terms hereof and (b) with respect to the Swingline Lender, such Defaulting Lender's Applicable Percentage of outstanding Swingline Loans made by such Swingline Lender other than Swingline Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Revolving Lenders.

" GAAP " means generally accepted accounting principles in the United States of America as in effect from time to time.

" GAAP Working Capital " means, at any date of determination, (a) the consolidated current assets of Holdings and the Subsidiaries as of such date minus (b) the consolidated current liabilities of Holdings and the Subsidiaries as of such date, in each case calculated in accordance with GAAP.

" General Atlantic " means investment entities managed by or that are Controlled Affiliates of General Atlantic LLC.

" Governmental Approvals " means all authorizations, consents, approvals, permits, licenses and exemptions of, registrations and filings with, and reports to, Governmental Authorities.

" Governmental Authority " means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national body exercising such powers or functions, such as the European Union or the European Central Bank).

" Guarantee " of or by any Person (the " guarantor ") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the " primary obligor ") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or other obligation; provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount, as of any date of determination, of any Guarantee shall be the principal amount outstanding on such date of the Indebtedness or other obligation guaranteed thereby (or, in the case of (i) any Guarantee the terms of which limit the monetary exposure of the guarantor or (ii) any Guarantee of an obligation that does not have a principal amount, the maximum monetary exposure as of such date of the guarantor under such Guarantee (as determined, in the case of clause (i), pursuant to such terms or, in the case of clause (ii), reasonably and in good faith by a Financial Officer of the Borrower)). The term "Guarantee" used as a verb has a corresponding meaning.

" Hazardous Materials " means all explosive, radioactive, hazardous or toxic substances, materials, wastes or other pollutants, including petroleum or petroleum

by-products or distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, or wastes which are regulated pursuant to any Environmental Law.

" Hedging Agreement " means any agreement with respect to any swap, forward, future or derivative transaction, or any option or similar agreement, involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt securities or instruments, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of the foregoing 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 Holdings, the Borrower or any Subsidiary shall be a Hedging Agreement.

" Hedging Obligations " means, with respect to any Person, the obligations of such Person under any Hedging Agreements.

" Holdings " means TriNet Group, Inc., a Delaware corporation.

" Incremental Commitment " means an Incremental Revolving Commitment or an Incremental Term Commitment.

" Incremental Facility " means an Incremental Revolving Facility or an Incremental Term Facility.

" Incremental Facility Amendment " means an amendment to this Agreement, in form and substance reasonably satisfactory to the Administrative Agent, among Holdings, the Borrower, the Administrative Agent and one or more Incremental Lenders, establishing Incremental Term Commitments of any Series or Incremental Revolving Commitments and effecting such other amendments hereto and to the other Loan Documents as are contemplated by Section 2.21.

" Incremental Lender " means an Incremental Revolving Lender or an Incremental Term Lender.

" Incremental Revolving Commitment " means, with respect to any Lender, the commitment, if any, of such Lender, established pursuant to an Incremental Facility Amendment and Section 2.21, to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate permitted amount of such Lender's Revolving Exposure under such Incremental Facility Amendment.

" Incremental Revolving Facility " means an incremental portion of the Revolving Commitments established hereunder pursuant to an Incremental Facility Amendment providing for Incremental Revolving Commitments.

" Incremental Revolving Lender " means a Lender with an Incremental Revolving Commitment.

" Incremental Term Commitment " means, with respect to any Lender, the commitment, if any, of such Lender, established pursuant to an Incremental Facility Amendment and Section 2.21, to make Incremental Term Loans of any Series hereunder, expressed as an amount representing the maximum principal amount of the Incremental Term Loans of such Series to be made by such Lender.

" Incremental Term Facility " means an incremental term loan facility established hereunder pursuant to an Incremental Facility Amendment providing for Incremental Term Commitments.

" Incremental Term Lender " means a Lender with an Incremental Term Commitment or an outstanding Incremental Term Loan.

" Incremental Term Loan " means a Loan made by an Incremental Term Lender to the Borrower pursuant to Section 2.21.

" Incremental Term Maturity Date " means, with respect to Incremental Term Loans of any Series, the scheduled date on which such Incremental Term Loans shall become due and payable in full hereunder, as specified in the applicable Incremental Facility Amendment.

" Indebtedness " of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person (excluding, for the avoidance of doubt, trade accounts payable incurred in the ordinary course of business), (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding trade accounts payable, deferred compensation arrangements for employees, directors and officers and other accrued obligations, in each case incurred in the ordinary course of business), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed by such Person, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances and (j) all Disqualified Equity Interests in such Person, valued, as of the date of determination, at the greater of (i) the maximum aggregate amount that would be payable upon maturity, redemption, repayment or repurchase thereof (or of Disqualified Equity Interests or Indebtedness into which such Disqualified Equity Interests are convertible or exchangeable) and (ii) the maximum liquidation preference of such Disqualified Equity Interests. The Indebtedness of any Person shall include the Indebtedness of any other Person (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such other Person, except to the extent the terms of such Indebtedness expressly provide that such Person is

not liable therefor. Notwithstanding the foregoing, the term "Indebtedness" shall not include (i) purchase price adjustments, earnouts, holdbacks or deferred payments of a similar nature (including deferred compensation representing consideration or other contingent obligations incurred in connection with an acquisition), except in each case to the extent that such amount payable is, or becomes, reasonably determinable and contingencies have been resolved or such amount would otherwise be required to be reflected on a balance sheet prepared in accordance with GAAP; (ii) current accounts payable incurred in the ordinary course of business, (iii) obligations in respect of non-competes and similar agreements, and (iv) licenses and operating leases. The amount of Indebtedness of any Person for purposes of clause (e) above shall (unless such Indebtedness has been assumed by such Person or such Person has otherwise become liable for the payment thereof) be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

" Indemnified Taxes " means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under this Agreement or any other Loan Document and (b) to the extent not otherwise described in clause (a) of this definition, Other Taxes.

" Indemnitee " has the meaning set forth in Section 9.03(b).

" Initial Lender " means each of JPMorgan Chase Bank, N.A, Morgan Stanley Senior Funding, Inc., Bank of America, N.A., Deutsche Bank AG New York Branch and KeyBank National Association.

" Intellectual Property " means all intellectual and similar property of every kind and nature now owned or hereafter acquired by Holdings or any Subsidiary, including inventions, designs, patents, copyrights, licenses, trademarks, trade secrets, domain names, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

" Intercompany Note " means the Subordinated Intercompany Note substantially in the form of Exhibit F hereto (or any other form approved by the Administrative Agent).

" Interest Election Request " means a request by the Borrower to convert or continue a Revolving Borrowing or Term Borrowing in accordance with Section 2.07, which shall be, in the case of any such written request, substantially in the form of Exhibit H or any other form approved by the Administrative Agent.

" Interest Payment Date " means (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each March, June, September and December, (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the

Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, such day or days prior to the last day of such Interest Period as shall occur at intervals of three months' duration after the first day of such Interest Period and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid.

" Interest Period " means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter (or, to the extent made available by all Lenders of the Class participating therein, twelve months thereafter), as the Borrower may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

" Investment " means, with respect to a specified Person, (i) any Equity Interests, evidences of Indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, or any capital contribution or loans or advances (other than advances made in the ordinary course of business that would be recorded as accounts receivable on the balance sheet of the specified Person prepared in accordance with GAAP) to, Guarantees of any Indebtedness or other obligations of, or any other investment in, any other Person that are held or made by the specified Person and (ii) the purchase or acquisition (in one transaction or a series of related transactions) of all or substantially all the property and assets or business of another Person or assets constituting a business unit, line of business, division or product line of such other Person. The amount, as of any date of determination, of (a) any Investment in the form of a loan or an advance shall be the principal amount thereof outstanding on such date (excluding any portion thereof representing paid-in-kind interest or principal accretion), without any adjustment for write-downs or write-offs (including as a result of forgiveness of any portion thereof) with respect to such loan or advance after the date thereof, (b) any Investment in the form of a Guarantee shall be determined in accordance with the definition of the term "Guarantee", (c) any Investment in the form of a transfer of Equity Interests or other non-cash property by the investor to the investee, including any such transfer in the form of a capital contribution, shall be the fair value (as determined reasonably and in good faith by the Borrower in accordance with GAAP) of such Equity Interests or other property as of the time of the transfer, minus any payments actually received in cash, or other property that has been converted into cash or is readily marketable for cash, by such specified Person representing a return of capital of such Investment, but without any adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such

transfer, (d) any Investment (other than any Investment referred to in clause (a), (b) or (c) above) by the specified Person in the form of a purchase or other acquisition for value of any Equity Interests, evidences of Indebtedness, other securities or assets of any other Person shall be the original cost of such Investment (including any Indebtedness assumed in connection therewith), plus the cost of all additions, as of such date, thereto, and minus the amount, as of such date, of any portion of such Investment repaid to the investor in cash as a repayment of principal or a return of capital, as the case may be, but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such Investment, and (e) any Investment (other than any Investment referred to in clause (a), (b), (c) or (d) above) by the specified Person in any other Person resulting from the issuance by such other Person of its Equity Interests to the specified Person shall be the fair value (as determined reasonably and in good faith by the chief financial officer of the Borrower) of such Equity Interests at the time of the issuance thereof. For purposes of Section 6.04, if an Investment involves the acquisition of more than one Person, the amount of such Investment shall be allocated among the acquired Persons in accordance with GAAP; provided that pending the final determination of the amounts to be so allocated in accordance with GAAP, such allocation shall be as reasonably determined by a Financial Officer.

" Investment Company Act " means the U.S. Investment Company Act of 1940, as amended.

" IPO " means a bona fide underwritten initial public offering of voting common Equity Interests of Holdings (or of a Qualified IPO Parent) newly issued by Holdings (or such Qualified IPO Parent), pursuant to a registration statement filed with the SEC under the Securities Act of 1933, excluding any such offering effected on Form S-8 or otherwise made with respect to or for the benefit of employee plans.

" IRS " means the United States Internal Revenue Service.

" Issuing Bank " means (a) JPMorgan Chase Bank, N.A. and (b) each Revolving Lender that shall have become an Issuing Bank hereunder as provided in Section 2.05(k), (other than any Person that shall have ceased to be an Issuing Bank as provided in Section 2.05(l)), each in its capacity as an issuer of Letters of Credit hereunder. Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate (it being agreed that such Issuing Bank shall, or shall cause such Affiliate to, comply with the requirements of Section 2.05 with respect to such Letters of Credit).

" Latest Maturity Date " means at any date of determination, the latest Maturity Date applicable to any Loan or Commitment hereunder at such time, including in respect of any Incremental Facility and including any Maturity Date that has been extended from time to time in accordance with this Agreement.

" LC Disbursement " means a payment made by an Issuing Bank pursuant to a Letter of Credit.

" LC Exposure " means, at any time, the sum of (a) the aggregate undrawn amount of all Letters of Credit at such time that, in accordance with the terms of such Letter of Credit, could upon satisfaction of drawing conditions be drawn thereunder, and (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

" Lenders " means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption or an Incremental Facility Amendment, other than any such Person that shall have ceased to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender.

" Letter of Credit " means any standby letter of credit issued or deemed issued pursuant to this Agreement, other than any such letter of credit that shall have ceased to be a "Letter of Credit" outstanding hereunder pursuant to Section 9.05.

" LIBO Rate " means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page on such screen) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits in the London interbank market with a maturity comparable to such Interest Period. In the event that such rate does not appear on such page (or on any such successor or substitute page), the "LIBO Rate" shall be determined by reference to such other publicly available service for displaying interest rates for dollar deposits in the London interbank market as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period. Notwithstanding the foregoing, if the LIBO Rate determined in accordance with this definition is below zero, the LIBO Rate shall be deemed to be zero.

" Lien " means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, charge, security interest or other encumbrance on, in or of such asset, including any agreement to provide any of the foregoing, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or Synthetic Lease Obligations or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

" Loan Document Obligations " means (a) the due and punctual payment by the Borrower of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by the Borrower under this Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral and (iii) all other monetary obligations of the Borrower under this Agreement and each of the other Loan Documents, including obligations to pay fees, expense reimbursement obligations (including with respect to attorneys' fees) and indemnification obligations, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), (b) the due and punctual performance of all other obligations of the Borrower under or pursuant to this Agreement and each of the other Loan Documents and (c) the due and punctual payment and performance of all the obligations of each other Loan Party under or pursuant to each of the Loan Documents (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding).

" Loan Documents " means this Agreement, any Incremental Facility Amendment, any Refinancing Facility Agreement, any Loan Modification Agreement, the Collateral Agreement, the Intercompany Note, the other Security Documents, the First Lien/Second Lien Intercreditor Agreement, the Pari Passu Intercreditor Agreement (upon the effectiveness thereof), any agreement designating an additional Issuing Bank as contemplated by Section 2.05(k) and, except for purposes of Section 9.02, any promissory notes delivered pursuant to Section 2.09(c) (and, in each case, any amendment, restatement, waiver, supplement or other modification to any of the foregoing).

" Loan Modification Agreement " means a Loan Modification Agreement, in form and substance reasonably satisfactory to the Administrative Agent and the Borrower, among Holdings, the Borrower, the Administrative Agent and one or more Accepting Lenders, effecting one or more Permitted Amendments and such other amendments hereto and to the other Loan Documents as are contemplated by Section 2.23.

" Loan Modification Offer " has the meaning set forth in Section 2.23(a).

" Loan Parties " means Holdings, the Borrower and each Subsidiary Loan Party.

" Loans " means the loans made by the Lenders to the Borrower pursuant to this Agreement, including pursuant to any Incremental Facility Amendment or any Refinancing Facility Agreement.

" Long-Term Indebtedness " means any Indebtedness that, in accordance with GAAP, constitutes (or, when incurred, constituted) a long-term liability.

" Majority in Interest ", when used in reference to Lenders of any Class, means, at any time, (a) in the case of the Revolving Lenders, Lenders having Revolving Exposures and unused Revolving Commitments representing more than 50% of the sum of the Aggregate Revolving Exposure and the unused Aggregate Revolving Commitment at such time (other than that attributable to Defaulting Lenders) and (b) in the case of the Term Lenders of any Class, Lenders other than Excluded Term Lenders holding outstanding Term Loans of such Class representing more than 50% of the aggregate principal amount of all Term Loans of such Class outstanding at such time (other than Term Loans of Excluded Term Lenders).

" Management Group " means the group consisting of the directors, executive officers and other executive management personnel of Holdings and its Significant Subsidiaries on the Effective Date together with (x) any new directors whose election by such boards of directors or whose nomination for election by the shareholders of Holdings was approved by a vote of a majority of the directors of Holdings or the applicable Subsidiary then still in office who were either directors on the Effective Date or whose election or nomination was previously so approved and (y) executive officers of Holdings and such Significant Subsidiaries, as the case may be, hired at a time when the directors on the Effective Date together with the directors so approved constituted a majority of the directors of Holdings or the applicable Significant Subsidiary.

" Material Acquisition " means any acquisition, or a series of related acquisitions, of (a) Equity Interests in any Person if, after giving effect thereto, such Person will become a Subsidiary or (b) assets comprising all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of) any Person; provided that the aggregate consideration therefor (including Indebtedness assumed in connection therewith, all obligations in respect of deferred purchase price (including obligations under any purchase price adjustment, as estimated in good faith by the Borrower, but excluding earnout, contingent payment or similar payments) and all other consideration payable in connection therewith (including payment obligations in respect of noncompetition agreements or other arrangements representing acquisition consideration)) exceeds $5,000,000.

" Material Adverse Effect " means an event or condition that has resulted, or could reasonably be expected to result, in a material adverse effect on (a) the business, assets, operations or financial condition of Holdings, the Borrower and the Subsidiaries, taken as a whole, (b) the ability of Holdings, the Borrower and the other Loan Parties, taken as a whole, to perform their payment obligations under the Loan Documents or (c) the rights and remedies of the Administrative Agent and the Lenders under the Loan Documents.

" Material Disposition " means any Disposition, or a series of related Dispositions, of (a) all or substantially all the issued and outstanding Equity Interests in any Person that are owned by Holdings, the Borrower or any Subsidiary or (b) assets

comprising all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of) any Person; provided that the aggregate consideration therefor (including Indebtedness assumed by the transferee in connection therewith, all obligations in respect of deferred purchase price (including obligations under any purchase price adjustment, as estimated in good faith by the Borrower, but excluding earnout, contingent payment or similar payments) and all other consideration payable in connection therewith (including payment obligations in respect of noncompetition agreements or other arrangements representing acquisition consideration)) exceeds $5,000,000.

" Material Indebtedness " means Indebtedness (other than the Loans, Letters of Credit and Guarantees under the Loan Documents) or Hedging Obligations, of any one or more of Holdings, the Borrower and the Subsidiaries in an aggregate principal amount of $15,000,000 or more. For purposes of determining Material Indebtedness, the "principal amount" of any Hedging Obligation at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that Holdings, the Borrower or such Subsidiary would be required to pay if the applicable Hedging Agreement were terminated at such time.

" Material Subsidiary " has the meaning set forth in Section 7.01.

" Maturity Date " means the Tranche B-1 Term Maturity Date, the Tranche B-2 Term Maturity Date, the Incremental Term Maturity Date with respect to Incremental Term Loans of any Series or the Revolving Maturity Date, and any extended maturity date with respect to all or a portion of any Class of Loans or Commitments hereunder pursuant to a Refinancing Facility Agreement or a Loan Modification Agreement, in each case as the context requires.

" Maximum Incremental Amount " means (a) the Base Incremental Amount plus (b) such additional amount represented by Incremental Commitments to be established pursuant to Section 2.21 or Alternative Incremental Facility Indebtedness to be incurred pursuant to Section 6.01(a)(xiii), as the case may be, that would not, immediately after giving effect to the establishment or incurrence thereof (and assuming that the full amount of any Incremental Revolving Commitments have been borrowed as Revolving Loans), cause the First Lien Leverage Ratio, calculated on a Pro Forma Basis as of the date of incurrence of such Indebtedness, but including for purposes of such calculation all such Alternative Incremental Facility Indebtedness (and any Refinancing Indebtedness in respect thereof) as "Consolidated First Lien Debt", to exceed 3.75 to 1.00.

" Maximum Rate " has the meaning set forth in Section 9.13.

" Minimum Extension Condition " has the meaning set forth in Section 2.23(a).

" MNPI " means material information concerning Holdings, the Borrower, any Subsidiary or any Affiliate of any of the foregoing or their securities that has not

been disseminated in a manner making it available to investors generally, within the meaning of Regulation FD under the Securities Act and the Exchange Act. For purposes of this definition, "material information" means information concerning Holdings, the Borrower, the Subsidiaries or any Affiliate of any of the foregoing or any of their securities that could reasonably be expected to be material for purposes of the United States Federal and State securities laws and, where applicable, foreign securities laws.

" Moody's " means Moody's Investors Service, Inc., and any successor to its rating agency business.

" Mortgage " means a mortgage, deed of trust, assignment of leases and rents or other security document granting a Lien on any Mortgaged Property to secure the Obligations. Each Mortgage shall be in form and substance reasonably satisfactory to the Administrative Agent.

" Mortgaged Property " means each parcel of real property owned in fee by a Loan Party, and the improvements thereto, that (together with such improvements) has a book or fair value of $5,000,000 or more, subject to the limitations in the definition of the term "Collateral and Guarantee Requirement".

" Multiemployer Plan " means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

" Net Proceeds " means, with respect to any event, (a) the cash proceeds (which term, for purposes of this definition, shall include cash equivalents) (including, in the case of any casualty, condemnation or similar proceeding, insurance, condemnation or similar proceeds) received in respect of such event, including any cash received in respect of any noncash proceeds, but only as and when received, net of (b) the sum, without duplication, of (i) all fees and out-of-pocket expenses paid in connection with such event by the Holdings and the Subsidiaries, (ii) in the case of a Disposition (including pursuant to a Sale/Leaseback Transaction or a casualty or a condemnation or similar proceeding) of an asset, (A) the amount of all payments required to be made by Holdings, the Borrower and the Subsidiaries as a result of such event to repay Indebtedness (other than Loans) secured by such asset, (B) the pro rata portion of net cash proceeds thereof (calculated without regard to this subclause (B)) attributable to minority interests and not available for distribution to or for the account of Holdings and the Subsidiaries as a result thereof, and (C) the amount of any liabilities directly associated with such asset and retained by Holdings or any Subsidiary and (iii) the amount of all taxes paid (or reasonably estimated to be payable) by Holdings, the Borrower and the Subsidiaries (including any taxes paid or payable in connection with transferring or distributing any such amounts to Holdings or the Borrower), and the amount of any reserves established by Holdings, the Borrower and the Subsidiaries in accordance with GAAP to fund purchase price adjustment, indemnification and similar contingent liabilities (other than any earnout, holdback or similar obligations) reasonably estimated to be payable and that are directly attributable to the occurrence of such event (as determined reasonably and in good faith by the chief financial officer of the Borrower). For purposes of this definition, in the event any contingent liability reserve

established with respect to any event as described in clause (b)(iii) above shall be reduced in an aggregate amount equal to or greater than $100,000, the amount of such reduction shall, except to the extent such reduction is made as a result of a payment having been made in respect of the contingent liabilities with respect to which such reserve has been established, be deemed to be receipt, on the date of such reduction, of cash proceeds in respect of such event.

" Net Working Capital " means, at any date of determination, (a) the consolidated current assets of Holdings and the Subsidiaries as of such date (excluding cash and Permitted Investments) minus (b) the consolidated current liabilities of Holdings and the Subsidiaries as of such date (excluding current liabilities in respect of Consolidated Total Debt). Net Working Capital at any date may be a positive or negative number. Net Working Capital increases when it becomes more positive or less negative and decreases when it becomes less positive or more negative.

" Non-Cash Charges " means any noncash charges, including (a) any write-off for impairment of long lived assets (including goodwill, intangible assets and fixed assets such as property, plant and equipment), or of deferred financing fees or investments in debt and equity securities, in each case, pursuant to GAAP, (b) non-cash expenses resulting from the grant of stock options, restricted stock awards or other equity-based incentives to any director, officer or employee of the Borrower or any Subsidiary (excluding, for the avoidance of doubt, any cash payments of income taxes made for the benefit of any such Person in consideration of the surrender of any portion of such options, stock or other incentives upon the exercise or vesting thereof), (c) any non-cash charges resulting from (i) the application of purchase accounting or (ii) investments in minority interests in a Person, to the extent that such investments are subject to the equity method of accounting; provided that Non-Cash Charges shall not include additions to bad debt reserves or bad debt expense and any noncash charge that results from the write-down or write-off of accounts receivable, and (d) the non-cash impact of accounting changes or restatements.

" Non-Compliant Assets " has the meaning set forth in the definition of Permitted Acquisition.

" Non-Compliant Subsidiary " has the meaning set forth in the definition of Permitted Acquisition.

" Non-Consenting Lender " has the meaning set forth in Section 9.02(c).

" Non-Defaulting Lender " means, at any time, any Revolving Lender that is not a Defaulting Lender at such time.

" Obligations " means, collectively, (a) the Loan Document Obligations, (b) the Secured Cash Management Obligations and (c) the Secured Hedging Obligations.

" Organizational Documents " means (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) with respect to any

limited liability company, the certificate or articles of formation or organization and operating agreement, and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and, if applicable, any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

" Other Connection Taxes " means, with respect to any Credit Party, Taxes imposed as a result of a present or former connection between such Credit Party and the jurisdiction imposing such Taxes (other than a connection arising from such Credit Party having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, or enforced by, this Agreement).

" Other First Lien Secured Indebtedness " means at any time all Alternative Incremental Facility Indebtedness secured by the Collateral on a *pari passu* basis with the Obligations and Permitted First Priority Refinancing Indebtedness then outstanding.

" Other Taxes " means any present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the registration, receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment under Section 2.19(b)).

" Pari Passu Intercreditor Agreement " means the Pari Passu Intercreditor Agreement substantially in the form of Exhibit G-2.

" Participant Register " has the meaning set forth in Section 9.04(c).

" Participants " has the meaning set forth in Section 9.04(c).

" Pass-Through Foreign Subsidiary " means any Foreign Subsidiary, other than a CFC Holding Company, that (i) is treated as a partnership under the Code or (ii) is not treated as an entity that is separate from (x) a Loan Party that directly holds Equity Interests in such Foreign Subsidiary, (y) any Subsidiary that is treated as a partnership under the Code or (z) any "United States person", as defined in Section 7701(a)(30) of the Code (or any successor provision).

" PBGC " means the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

" Perfection Certificate " means a certificate substantially in the form of Exhibit I-1 or any other form approved by the Administrative Agent.

" Permitted Acquisition " means the purchase or other acquisition, by merger or otherwise, by Holdings, the Borrower or any Subsidiary of substantially all the Equity Interests in, or all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of), any Person if (a) in the case of any purchase or other acquisition of Equity Interests in a Person, such Person and each subsidiary of such Person is (except to the extent permitted below in the case of foreign and other Subsidiaries that will not become Loan Parties) organized under the laws of the United States of America, any State thereof or the District of Columbia and, upon the consummation of such acquisition, will be a wholly-owned Subsidiary that is a Domestic Subsidiary (including as a result of a merger or consolidation between any Subsidiary and such Person) and will be or become a Subsidiary Loan Party as required under the Collateral and Guarantee Requirement or (b) in the case of any purchase or other acquisition of assets other than Equity Interests, such assets will be owned by Holdings, the Borrower or a Subsidiary Loan Party; provided that (i) such purchase or acquisition was not consummated pursuant to, an unsolicited tender offer or proxy contest initiated by or on behalf of Holdings or any Subsidiary, (ii) all transactions related thereto are consummated in accordance with applicable law, except to the extent the failure to do so could not reasonably be expected to result in a Material Adverse Effect, (iii) the business of such Person, or such assets, as the case may be, constitute a business permitted under Section 6.03(b), (iv) with respect to each such purchase or other acquisition, all actions required to be taken with respect to each newly created or acquired Subsidiary or assets in order to satisfy the requirements set forth in the definition of the term "Collateral and Guarantee Requirement" shall be taken within the required time periods for satisfaction of such requirements set forth therein, (v) at the time of and immediately after giving effect to any such purchase or other acquisition, (A) no Default shall have occurred and be continuing or would result therefrom, (B) except in the case of an acquisition that is not a Material Acquisition, Holdings and the Borrower shall be in Pro Forma Compliance with the covenants set forth in Sections 6.12 (regardless of whether then applicable) and (C) the Total Leverage Ratio, calculated on a Pro Forma Basis, shall be less than 5.25 to 1.00 and (vi) if such purchase or other acquisition is a Material Acquisition, Holdings and the Borrower shall have delivered to the Administrative Agent a certificate of a Financial Officer of Holdings and the Borrower, certifying that all the requirements set forth in this definition have been satisfied with respect to such purchase or other acquisition, together with reasonably detailed calculations demonstrating satisfaction of the requirement set forth in clauses (v)(B) and (v)(C) above. Any pro forma calculations required in respect of clause (v)(B) or (C) above shall be made as of the last day of, or for, the period of four consecutive fiscal quarters of Holdings then most recently ended for which financial statements have been delivered pursuant to Section 5.01(a) or 5.01(b) (or prior to the first delivery of any such financial statements, as of the last day of, or period of four consecutive fiscal quarters ending with the last day of, the most recent fiscal quarter included in the financial statements referred to in Section 3.04(a)). Notwithstanding the foregoing, a Permitted Acquisition of a Person that will become a Loan Party may include the indirect acquisition of Non-Compliant Subsidiaries or Non-Compliant Assets if the consideration allocable to the acquisition of such Non-Compliant Subsidiaries or such Non-Compliant Assets, as applicable (determined in accordance with GAAP and as reasonably estimated

by a Financial Officer of Holdings at the time such Permitted Acquisition is consummated) consists of the issuance of Qualified Equity Interests of Holdings; provided that all or any portion of the consideration for the acquisition of any Non-Compliant Subsidiaries and/or any Non-Compliant Assets that cannot be made pursuant to the foregoing provisions of this definition may also be funded in an amount not in excess of the amount, including the Available ECF Amount and the amount of Qualifying Equity Proceeds, then available for Investments under Section 6.04(s). For purposes of this definition, " Non-Compliant Subsidiary " means any Subsidiary of a Person acquired pursuant to a Permitted Acquisition that will not become a Subsidiary Loan Party in accordance with the requirements of clause (a) of this definition, and " Non-Compliant Assets " means any assets acquired pursuant to a Permitted Acquisition to be held by a Subsidiary that is not a Subsidiary Loan Party.

" Permitted Additional Second Priority Indebtedness " means Indebtedness of the Borrower in the form of term loans (other than, for the avoidance of doubt, Incremental Term Loans or other Term Loans under this Agreement) or bonds, debentures, notes or similar instruments (a) that is secured by the Collateral on a second priority basis to the Obligations and the obligations in respect of any Other First Lien Secured Indebtedness and is not secured by any property or assets of Holdings, the Borrower or any of the other Subsidiaries other than the Collateral, (b) that does not mature earlier than the Latest Maturity Date in effect at the time of incurrence of such Indebtedness and has a weighted average life to maturity no earlier than the Class of Term Loans outstanding hereunder with the latest Maturity Date at the time such Indebtedness is incurred, (c) does not provide for any amortization, mandatory prepayment, redemption or repurchase (other than upon a change of control, customary asset sale or event of loss, mandatory offers to purchase and customary acceleration rights after an event of default) prior to the date that is the Latest Maturity Date at the time such Indebtedness is incurred, (d) contains covenants, events of default, guarantees and other terms that are customary for similar Indebtedness in light of then-prevailing market conditions and, when taken as a whole (other than interest rates, rate floors, fees and optional prepayment or redemption terms), are not more restrictive to Holdings, the Borrower and its Subsidiaries than those set forth in the Loan Documents; provided that a certificate of a Financial Officer of the Borrower delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness or the modification, refinancing, refunding, renewal or extension thereof (or such shorter period of time as may reasonably be agreed by the Administrative Agent), together with a reasonably detailed description of the material terms and conditions of such resulting Indebtedness or drafts of the material definitive documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements shall be conclusive unless the Administrative Agent provides notice to the Borrower of its reasonable objection during such period together with a reasonable description of the basis upon which it objects, (e) the security agreements relating to which are substantially the same as the Security Documents (with such differences as are satisfactory to the Administrative Agent), (f) that is not guaranteed by any Person other than Holdings and Subsidiaries that are Subsidiary Loan Parties and (g) in respect of which a Senior Representative acting on behalf of the holders thereof shall have become party to the First Lien/Second Lien Intercreditor Agreement. Permitted Second Priority

Refinancing Indebtedness will include any Registered Equivalent Notes issued in exchange therefor.

" Permitted Amendment " means an amendment to this Agreement and the other Loan Documents, effected in connection with a Loan Modification Offer pursuant to Section 2.23, providing for an extension of the Maturity Date applicable to the Loans and/or Commitments of the Accepting Lenders of a relevant Class and, in connection therewith, may also provide for (a)(i) a change in the Applicable Rate with respect to the Loans and/or Commitments of the Accepting Lenders subject to such Permitted Amendment and/or (ii) a change in the fees payable to, or the inclusion of new fees to be payable to, the Accepting Lenders in respect of such Loans and/or Commitments, and/or (b) other changes to the terms and conditions in respect of such Loans and/or Commitments after the Maturity Date in respect thereof prior to giving effect to any extended maturity date effected pursuant to such Loan Modification Agreement.

" Permitted Encumbrances " means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 5.05;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlords' and other like Liens imposed by law (other than any Lien imposed pursuant to Section 430(k) of the Code or Section 303(k) of ERISA or a violation of Section 436 of the Code), arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.05;

(c) (i) Liens (including deposits and pledges) arising in the ordinary course of business in connection with worker's compensation, unemployment insurance, old age pensions and social security benefits and similar statutory obligations (excluding Liens arising under ERISA) and (ii) pledges and deposits in respect of letters of credit, bank guarantees or similar instruments issued for the account of Holdings or any Subsidiary in the ordinary course of business supporting obligations of the type set forth in clause (c)(i) above;

(d) pledges and deposits made (i) to secure the performance of bids, trade and commercial contracts (other than for payment of Indebtedness), leases (other than Capital Lease Obligations), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business, (ii) in respect of letters of credit, bank guarantees or similar instruments issued for the account of Holdings or any Subsidiary in the ordinary course of business supporting obligations of the type set forth in clause (d)(i) above, and (iii) in respect of capital requirements required by the Bermuda Monetary Authority in connection with Holding's captive insurance program;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (j) of Section 7.01;

(f) survey exceptions, easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business, and other minor title imperfections with respect to real property, that in any case do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) Liens arising from Permitted Investments described in clause (d) of the definition of the term Permitted Investments;

(h) banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with depository institutions and securities accounts and other financial assets maintained with a securities intermediary; provided that such deposit accounts or funds and securities accounts or other financial assets are not established or deposited for the purpose of providing collateral for any Indebtedness and are not subject to restrictions on access by Holdings, the Borrower or any Subsidiary in excess of those required by applicable banking regulations;

(i) Liens arising by virtue of Uniform Commercial Code financing statement filings (or similar filings under applicable law) regarding operating leases entered into by Holdings, the Borrower and the Subsidiaries in the ordinary course of business;

(j) Liens of a collecting bank arising in the ordinary course of business under Section 4-208 (or the applicable corresponding section) of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon;

(k) Liens representing any interest or title of a licensor, lessor or sublicensor or sublessor, or a licensee, lessee or sublicensee or sublessee, in the property subject to any lease, license or sublicense or concession agreement entered into in the ordinary course of business;

(l) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(m) Liens that are contractual rights of set-off; and

(n) Liens solely on any deposits, advances, contractual payments, including implementation allowances, or escrows made or paid to or with customers or clients or in connection with insurance arrangements, in each case, in the ordinary course of business

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness, other than Liens referred to clauses (c) and (d) above securing letters of credit, bank guarantees or similar instruments.

" Permitted First Priority Refinancing Indebtedness " means Indebtedness of the Borrower in the form of term loans (other than, for the avoidance of doubt, Incremental Term Loans or other Term Loans under this Agreement) or bonds, debentures, notes or similar instruments (a) that is secured by the Collateral on a *pari passu* basis (but without regard to the control of remedies) with the Obligations and any Other First Lien Secured Indebtedness and is not secured by any property or assets of Holdings, the Borrower or any of the other Subsidiaries other than the Collateral, (b) the Net Proceeds of which, substantially concurrently with the incurrence thereof, are applied to the repayment or prepayment of then outstanding Term Borrowing of any Class in an aggregate principal amount equal to the aggregate amount of such Permitted First Priority Refinancing Indebtedness (less the aggregate amount of accrued and unpaid interest with respect to such outstanding Term Borrowing and any reasonable fees, premium and expenses relating to such refinancing), (c) that does not mature earlier than the Latest Maturity Date then in effect, and has a weighted average life to maturity no shorter than the Class of Term Loans with the latest Maturity Date in effect at the time of incurrence of such Indebtedness, (d) that does not provide for any amortization, mandatory prepayment, redemption or repurchase (other than upon a change of control, customary asset sale or event of loss, mandatory offers to purchase and customary acceleration rights after an event of default, and, in the case of term loans, annual amortization not in excess of 2% of the initial aggregate principal amount thereof) prior to the date that is the Latest Maturity Date in effect at the time of incurrence of such Indebtedness, (e) that contains covenants, events of default and other terms that are customary for similar Indebtedness in light of then-prevailing market conditions and, when taken as a whole (other than interest rates, rate floors, fees and optional prepayment or redemption terms), are substantially identical to, or are not more restrictive to Holdings, the Borrower and the Subsidiaries than, those set forth in the Loan Documents (other than covenants or other provisions applicable only to periods after the Latest Maturity Date then in effect); provided that a certificate of a Financial Officer of the Borrower delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness or the modification, refinancing, refunding, renewal or extension thereof (or such shorter period of time as may reasonably be agreed by the Administrative Agent), together with a reasonably detailed description of the material terms and conditions of such resulting Indebtedness or drafts of the material definitive documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements shall be conclusive unless the Administrative Agent provides notice to the Borrower of its reasonable objection during such period together with a reasonable description of the basis upon which it objects, (f) the security agreements relating to which are substantially the same as the Security Documents (with such differences as are satisfactory to the Administrative Agent), (g) that is not guaranteed by any Persons other than Holdings and Subsidiaries that are Subsidiary Loan Parties and (h) in respect of which a Senior Representative acting on behalf of the holders thereof shall have become party to the First Lien/Second Lien Intercreditor Agreement, if applicable, and the Pari Passu Intercreditor Agreement; provided that if the Pari Passu Intercreditor Agreement has not previously been executed and delivered, then Holdings, the Borrower, the Subsidiary Loan Parties, the Administrative Agent at such time and the Senior Representative for such Indebtedness

shall have executed and delivered the Pari Passu Intercreditor Agreement. Permitted First Priority Refinancing Indebtedness will include any Registered Equivalent Notes issued in exchange therefor.

" Permitted Holders " means General Atlantic and the Management Group.

" Permitted Investments " means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof or, solely in the case of Investments in amounts and with maturities intended to correspond to obligations that will become payable in connection with workers compensation obligations, maturing not more than three years from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, (i) a short term credit rating of "P-1" or higher from Moody's or "A-1" or higher from S&P or (ii) a long term rating of "A2" or higher from Moody's or "A" or higher from S&P;

(c) investments in certificates of deposit, banker's acceptances and demand or time deposits, in each case maturing within 180 days from the date of acquisition thereof, issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) "money market funds" that (i) comply with the criteria set forth in Rule 2a-7 under the Investment Company Act, (ii) with (A) a short term credit rating of "P-1" or higher from Moody's or "A-1" or higher from S&P or (B) a long term rating of "A2" or higher from Moody's or "A" or higher from S&P and (iii) have portfolio assets of at least $5,000,000,000;

(f) Investments in Indebtedness issued by Persons with (i) a short term credit rating of "P-1" or higher from Moody's or "A-1" or higher from S&P or (ii) a long term rating of "A2" or higher from Moody's or "A" or higher from S&P, in each case for clauses (i) and (ii) with maturities not more than 12 months after the date of acquisition; and

(f) in the case of any Foreign Subsidiary, other short-term investments that are analogous to the foregoing, are of comparable credit quality and are

customarily used by companies in the jurisdiction of such Foreign Subsidiary for cash management purposes.

" Permitted Unsecured Indebtedness " means Indebtedness of Holdings or the Borrower (i) that is not (and any Guarantees thereof by Subsidiaries or Holdings are not) secured by any collateral (including the Collateral), (ii) that does not mature earlier than the Latest Maturity Date then in effect, and has a weighted average life to maturity no shorter than the Class of Term Loans with the latest Maturity Date in effect at the time of incurrence of such Indebtedness, (iii) that does not provide for any amortization, mandatory prepayment, redemption or repurchase (other than upon a change of control, fundamental change, customary asset sale or event of loss mandatory offers to purchase and customary acceleration rights after an event of default and, for the avoidance of doubt, rights to convert or exchange in the case of convertible or exchangeable Indebtedness) prior to the date that is the Latest Maturity Date, (iv) that contains covenants, events of default, guarantees and other terms that are customary for similar Indebtedness in light of then-prevailing market conditions (it being understood that such Indebtedness shall not include any financial maintenance covenants and that applicable negative covenants shall be incurrence-based to the extent customary for similar Indebtedness) and, when taken as a whole (other than interest rates, rate floors, fees and optional prepayment or redemption terms), are not more restrictive to Holdings, the Borrower and the Subsidiaries than those set forth in the Loan Documents; provided that a certificate of a Financial Officer of the Borrower delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness or the modification, refinancing, refunding, renewal or extension thereof (or such shorter period of time as may reasonably be agreed by the Administrative Agent), together with a reasonably detailed description of the material terms and conditions of such resulting Indebtedness or drafts of the material definitive documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements shall be conclusive, and (v) that is not guaranteed by any Person other than on an unsecured basis by Holdings and Subsidiaries that are Subsidiary Loan Parties.

" Person " means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

" Plan " means any "employee benefit plan", as defined in Section 3(3) of ERISA (other than a Multiemployer Plan), that is subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any of its ERISA Affiliates is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

" Platform " has the meaning set forth in Section 9.01(d).

" Post-Acquisition Period " means, with respect to any Material Acquisition or any Material Disposition, the period beginning on the date such transaction is

consummated and ending on the last day of the fourth full consecutive fiscal quarter immediately following the date on which such transaction is consummated.

" Prepayment Event " means:

(a) any sale, transfer, lease or other disposition (including pursuant to a sale and leaseback transaction and by way of merger or consolidation) (for purposes of this defined term, collectively, " dispositions ") of any asset of Holdings, the Borrower or any Subsidiary, other than (i) dispositions described in clauses (a), (b), (c), (d) (but only insofar as it does not relate to non-cash consideration arising out of Dispositions under Section 6.05(l)), (e), (f), (g), (h), (i) and (k) of Section 6.05 and (ii) other dispositions resulting in aggregate Net Proceeds not exceeding (A) $2,500,000 in the case of any single disposition or series of related dispositions and (B) $5,000,000 for all such dispositions during any fiscal year of Holdings;

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any asset of Holdings, the Borrower or any Subsidiary with a fair market value immediately prior to such event equal to or greater than $1,000,000; or

(c) the incurrence by Holdings, the Borrower or any Subsidiary of any Indebtedness, other than Indebtedness permitted to be incurred under Section 6.01.

" Prime Rate " means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City. Each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

" Private Side Lender Representatives " means, with respect to any Lender, representatives of such Lender that are not Public Side Lender Representatives.

" Pro Forma Adjustment " means, for any Test Period that includes all or any part of a fiscal quarter included in any Post-Acquisition Period, the pro forma increase or decrease in Consolidated EBITDA (including the portion thereof attributable to any assets (including Equity Interests) sold or acquired) projected by Holdings in good faith as a result of (a) actions taken during such Post-Acquisition Period for the purposes of realizing reasonably identifiable and factually supportable cost savings or (b) any additional costs incurred during such Post-Acquisition Period, in each case in connection with the combination of the operations of the assets acquired with the operations of Holdings, the Borrower and the Subsidiaries or the applicable Disposition, provided that, so long as such actions are taken during such Post-Acquisition Period or such costs are incurred during such Post-Acquisition Period, as applicable, it may be assumed, for purposes of projecting such pro forma increase or decrease to Consolidated EBITDA, that such cost savings will be realizable during the entirety, or such additional costs, as applicable, will be incurred during the entirety of such Test Period, provided further that

any such pro forma increase or decrease to Consolidated EBITDA shall be without duplication for cost savings or additional costs already included in Consolidated EBITDA for such Test Period.

" Pro Forma Basis " and " Pro Forma Compliance " means, with respect to compliance with any test or covenant hereunder required by the terms of this Agreement to be made on a Pro Forma Basis, that (a) to the extent applicable, the Pro Forma Adjustment shall have been made and (b) all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of (or commencing with) the first day of the applicable period of measurement in such test or covenant: (i) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction (A) in the case of a Material Disposition of all or substantially all Equity Interests in any Subsidiary of Holdings or the Borrower or any division, product line, or facility used for operations of Holdings, the Borrower or any of the Subsidiaries, shall be excluded, and (B) in the case of a Permitted Acquisition or Investment described in the definition of "Specified Transaction", shall be included, (ii) any retirement of Indebtedness, (iii) any Indebtedness incurred or assumed by Holdings, the Borrower or any of the Subsidiaries in connection therewith and (iv) if any such Indebtedness has a floating or formula rate, such Indebtedness shall be deemed to have accrued an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate that is or would be in effect with respect to such Indebtedness as at the relevant date of determination; provided that, without limiting the application of the Pro Forma Adjustment pursuant to clause (a) above, the foregoing pro forma adjustments may be applied to any such test or covenant solely to the extent that such adjustments are consistent with (and subject to applicable limitations included in) the definition of Consolidated EBITDA and give effect to operating expense reductions that are (i) (x) directly attributable to such transaction, (y) expected to have a continuing impact on Holdings, the Borrower and the Subsidiaries and (z) factually supportable or (ii) otherwise consistent with the definition of Pro Forma Adjustment, provided further that except as specified in the applicable provision requiring Pro Forma Compliance, any determination of Pro Forma Compliance required shall be made assuming that compliance with the financial covenant set forth in Section 6.12(a) is required with respect to the most recent Test Period prior to such time for which financial statements shall have been delivered pursuant to Sections 5.01(a) or 5.01(b) (or, prior to the delivery of any such financial statements, ending with the last fiscal quarter included in the pro forma financial statements delivered pursuant to Sections 5.01(a) or 5.01(b)).

" Proposed Change " has the meaning set forth in Section 9.02(c).

" Public Side Lender Representatives " means, with respect to any Lender, representatives of such Lender that do not wish to receive MNPI.

" Purchasing Borrower Party " means any of Holdings, the Borrower or any other Subsidiary.

" Purchasing Debt Affiliate " means any Affiliate of Holdings, other than a Purchasing Borrower Party and other than any natural person.

" Qualified Equity Interests " means Equity Interests of Holdings other than Disqualified Equity Interests.

" Qualified IPO Parent " means an IPO issuer formed for the purpose of an IPO of which Holdings is and at all times remains a wholly-owned subsidiary.

" Qualifying Equity Proceeds " means on any date with respect to any expenditure to make an Investment under Section 6.04(s)(ii) (including in connection with the acquisition of Non-Compliant Subsidiaries and/or Non-Compliant Assets in a Permitted Acquisition), to make a Restricted Payment under Section 6.08(a)(viii) or to make a payment in reliance on Section 6.08(b)(viii)(A), the aggregate amount of Net Proceeds received by Holdings in respect of sales and issuances of its Qualified Equity Interests (other than any equity contribution made in reliance on Section 7.02, the issuance of Equity Interests to officers, directors or employees of Holdings or any Subsidiary pursuant to employee benefit or incentive plans or other similar arrangements, and the issuance of Equity Interests to any Subsidiary) during the 365-day period ending on the date of such expenditure, less the amount of all other expenditures for such purposes made during such period and on or prior to such date in reliance on such receipts of Net Proceeds.

" Refinancing " means the refinancing on the Effective Date, with the proceeds of the Term Loans and the proceeds of the term loans made under the Second Lien Credit Agreement, of all Indebtedness, and the payment of all other obligations, of the Borrower and SOI Holdings, Inc., in each case, outstanding under the Existing Credit Agreement immediately prior to the Effective Date.

" Refinancing Facility Agreement " means an amendment to this Agreement, in form and substance reasonably satisfactory to the Administrative Agent, among Holdings, the Borrower, the Administrative Agent and one or more Lenders, establishing Refinancing Term Loan Commitments of any Series and effecting such other amendments hereto and to the other Loan Documents as are contemplated by Section 2.22.

" Refinancing Indebtedness " means, in respect of any Indebtedness (the " Original Indebtedness "), any Indebtedness that extends, renews or refinances such Original Indebtedness (or any Refinancing Indebtedness in respect thereof); provided that (a) the principal amount (or accreted value, if applicable) of such Refinancing Indebtedness shall not exceed the principal amount (or accreted value, if applicable) of such Original Indebtedness except by an amount no greater than accrued and unpaid interest with respect to such Original Indebtedness and any reasonable fees, premium and expenses relating to such extension, renewal or refinancing; (b) the stated final maturity of such Refinancing Indebtedness shall not be earlier than that of such Original Indebtedness, and such stated final maturity shall not be subject to any conditions that could result in such stated final maturity occurring on a date that precedes the stated final maturity of such Original Indebtedness; (c) such Refinancing Indebtedness shall not be required to be repaid, prepaid, redeemed, repurchased or defeased, whether on one or more fixed dates, upon the occurrence of one or more events or at the option of any

holder thereof (except, in each case, upon the occurrence of an event of default or a change in control, fundamental change, or upon conversion or exchange in the case of convertible or exchangeable Indebtedness or as and to the extent such repayment, prepayment, redemption, repurchase or defeasance would have been required pursuant to the terms of such Original Indebtedness) prior to the earlier of (i) the maturity of such Original Indebtedness and (ii) the Latest Maturity Date in effect on the date of such extension, renewal or refinancing, provided that, notwithstanding the foregoing, scheduled amortization payments (however denominated) of such Refinancing Indebtedness shall be permitted so long as the weighted average life to maturity of such Refinancing Indebtedness shall be longer than the shorter of (x) the weighted average life to maturity of such Original Indebtedness remaining as of the date of such extension, renewal or refinancing and (y) the weighted average life to maturity of each Class of the Term Loans remaining as of the date of such extension, renewal or refinancing; (d) such Refinancing Indebtedness shall not constitute an obligation (including pursuant to a Guarantee) of the Borrower or any Subsidiary, in each case that shall not have been (or, in the case of after-acquired Subsidiaries, shall not have been required to become pursuant to the terms of the Original Indebtedness) an obligor in respect of such Original Indebtedness, and shall not constitute an obligation of Holdings if Holdings shall not have been an obligor in respect of such Original Indebtedness, and, in each case, shall constitute an obligation of the Borrower or such Subsidiary or of Holdings only to the extent of their obligations in respect of such Original Indebtedness; (e) if such Original Indebtedness shall have been subordinated to the Loan Document Obligations, such Refinancing Indebtedness shall also be subordinated to the Loan Document Obligations on terms not less favorable in any material respect to the Lenders; and (f) such Refinancing Indebtedness shall not be secured by any Lien on any asset other than the assets that secured such Original Indebtedness (or would have been required to secure such Original Indebtedness pursuant to the terms thereof) or, in the event Liens securing such Original Indebtedness shall have been contractually subordinated to any Lien securing the Loan Document Obligations, by any Lien that shall not have been contractually subordinated to at least the same extent.

" Refinancing Term Lender " has the meaning set forth in Section 2.22(a).

" Refinancing Term Loan Commitments " has the meaning set forth in Section 2.22(a).

" Refinancing Term Loans " has the meaning set forth in Section 2.22(a).

" Register " has the meaning set forth in Section 9.04(b).

" Registered Equivalent Notes " means, with respect to any bonds, notes, debentures or similar instruments originally issued in a Rule 144A or other private placement transaction under the Securities Act, substantially identical notes (having the same Guarantees) issued in a dollar for dollar exchange therefor pursuant to an exchange offer registered with the SEC.

" Related Parties " means, with respect to any specified Person, such Person's Affiliates and the directors, officers, partners, trustees, employees, agents, administrators, managers, representatives and advisors of such Person and of such Person's Affiliates.

" Release " means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or within or upon any building, structure, facility or fixture.

" Repricing Transaction " means (i) any prepayment or repayment of Tranche B-2 Term Loans with the proceeds of a concurrent incurrence of Indebtedness in the form of term loans (including by way of conversion by a Lender of its Tranche B-2 Term Loans into new Term Loans) provided primarily by institutional investors rather than regulated banking institutions or their Affiliates in respect of which the all-in yield is, on the date of such prepayment, lower than the all-in yield on the Tranche B-2 Term Loans (calculated by the Administrative Agent in accordance with standard market practice, taking into account, in each case, the Adjusted LIBO Rate floor in the definition of such term herein and any interest rate floor applicable to such financing, if applicable on such date, the Applicable Rate hereunder and the interest rate spreads under such Indebtedness, and any original issue discount and up front fees applicable to or payable in respect of the Tranche B-2 Term Loans and such Indebtedness (but excluding arrangement, structuring, underwriting, commitment, amendment or other fees regardless of whether paid in whole or in part to any or all lenders of such Indebtedness and any other fees that are not paid generally to all lenders of such Indebtedness), (ii) any amendment to this Agreement that reduces the effective interest rate applicable to the Tranche B-2 Term Loans or (iii) any prepayment made to a Lender as the result of a mandatory assignment of all or a portion of its Tranche B-2 Term Loans pursuant to Section 9.02(c) following such Lender's failure to consent to an amendment to this Agreement described in clause (ii) of this definition. Notwithstanding the foregoing, it is understood and agreed that any such financing transaction consummated in connection with a Change in Control or a refinancing of the Tranche B-2 Term Loans in connection with the consummation of a Material Acquisition will not in any event constitute a Repricing Transaction. For purposes of this definition, original issue discount and upfront fees shall be equated to interest based on an assumed four-year life to maturity (or, if less, the actual life to maturity).

" Required Lenders " means, at any time, Lenders having Revolving Exposures, Term Loans and unused Commitments representing more than 50% of the sum of the Aggregate Revolving Exposure, outstanding Term Loans and unused Commitments at such time (excluding for purposes of any such calculation, Defaulting Lenders and Excluded Term Lenders).

" Requirements of Law " means, with respect to any Person, (a) the charter, articles or certificate of organization or incorporation and bylaws or other organizational or governing documents of such Person and (b) any law (including common law), statute, ordinance, treaty, rule, regulation, order, decree, writ, injunction, settlement agreement or

determination of any arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

" Restricted Payment " means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in Holdings, the Borrower or any Subsidiary, or any payment or distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, exchange, conversion, cancelation or termination of any Equity Interests in Holdings, the Borrower or any Subsidiary, or any payment under any Hedging Agreement relating to such Equity Interests and providing for payments analogous to such dividends, distributions or other payments on account of Equity Interests in Holdings; provided , that no dividend, distribution or payment made solely with common Equity Interests of Holdings shall constitute a Restricted Payment.

" Revolving Availability Period " means the period from and including the Effective Date to but excluding the earlier of the Revolving Maturity Date and the date of termination of the Revolving Commitments.

" Revolving Commitment " means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum possible aggregate amount of such Lender's Revolving Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.08, (b) increased from time to time pursuant to Section 2.21 or 2.22 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Revolving Commitment is set forth on Schedule 2.01 or in the Assignment and Assumption or Incremental Facility Amendment pursuant to which such Lender shall have assumed its Revolving Commitment, as applicable. The initial aggregate amount of the Lenders' Revolving Commitments is $75,000,000.

" Revolving Exposure " means, with respect to any Lender at any time, the sum of (a) the outstanding principal amount of such Lender's Revolving Loans, (b) such Lender's LC Exposure and (c) such Lender's Swingline Exposure, in each case at such time.

" Revolving Lender " means a Lender with a Revolving Commitment or Revolving Exposure.

" Revolving Lender Parent " means, with respect to any Revolving Lender, any Person in respect of which such Lender is a subsidiary.

" Revolving Loan " means a Loan made pursuant to clause (c) of Section 2.01.

" Revolving Maturity Date " means August 20, 2018.

" Sale/Leaseback Transaction " means an arrangement relating to property owned by Holdings, the Borrower or any other Subsidiary whereby Holdings, the Borrower or such other Subsidiary sells or transfers such property to any Person and Holdings, the Borrower or any other Subsidiary leases such property, or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, from such Person or its Affiliates.

" Sanctioned Person " means, at any time, (a) any Person listed in any Sanctions-related list of specially designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the U.S. Department of Commerce or the U.S. Department of the Treasury, (b) any Person operating, organized or resident in a jurisdiction subject to any Sanctions or (c) any Person Controlled by any such Person.

" Sanctions " means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the U.S. Department of Commerce or the U.S. Department of the Treasury.

" S&P " means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

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

" Second Lien Credit Agreement " means the Second Lien Credit Agreement dated as of the date hereof, among the Borrower, Holdings, the financial institutions parties thereto as lenders and Wilmington Trust, National Association, as administrative agent.

" Second Lien Indebtedness " means Indebtedness, including Indebtedness under the Second Lien Credit Agreement and Permitted Additional Second Priority Indebtedness incurred pursuant to Section 6.01(a)(xiv), that is secured by Liens on the Collateral on a junior priority basis to the Liens securing the Obligations under the Security Documents.

" Second Lien Security Documents " means the collateral agreements, security agreements, pledge agreements, mortgages, and each other security agreement or other instrument or document executed and delivered pursuant to the Second Lien Credit Agreement to create or perfect Liens that secure the obligations of the Loan Parties under the Second Lien Credit Agreement, all of which Liens are subject to the First Lien/Second Lien Intercreditor Agreement.

" Secured Cash Management Obligations " means the due and punctual payment and performance of any and all obligations of Holdings, the Borrower and each Subsidiary (whether absolute or contingent and however and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor)) arising in respect of Cash Management Services that (a) are owed

pursuant to a Cash Management Agreement in effect on the Effective Date or (b) are owed pursuant to a Cash Management Agreement entered into after the Effective Date with a party that was a Lender or an Affiliate of a Lender at the time such Cash Management Agreement was entered into, and, in the case of any such Cash Management Agreement referred to in clause (a) or (b) above, has been designated by the Borrower in a written notice given to the Administrative Agent as a Cash Management Agreement the obligations under which are to constitute Secured Cash Management Obligations for purposes of the Loan Documents.

" Secured Hedging Obligations " means the due and punctual payment and performance of any and all obligations of Holdings, the Borrower and each Subsidiary arising under (a) the Designated Hedging Agreements and, upon notice to Administrative Agent, any extensions, renewals or other modifications extending the expiration date thereof; provided that such extension, renewal or other modification does not materially increase the obligations of Holdings, the Borrower or any Subsidiary thereunder and (b) each Hedging Agreement that (i) was in effect on the Effective Date with a counterparty that was a Lender or an Affiliate of a Lender as of the Effective Date or (ii) is entered into after the Effective Date with a counterparty that was a Lender or an Affiliate of a Lender at the time such Hedging Agreement was entered into and, in the case of any Hedging Agreement referred to in this clause (b), has been designated by the Borrower in a written notice given to the Administrative Agent as a Hedging Agreement the obligations under which are to constitute Secured Hedging Obligations for purposes of the Loan Documents.

" Secured Parties " means, collectively, (a) the Lenders, (b) the Administrative Agent, (c) the Arrangers, (d) each Issuing Bank, (e) each provider of Cash Management Services under a Cash Management Agreement the obligations under which constitute Secured Cash Management Obligations, (f) each counterparty to any Hedging Agreement the obligations under which constitute Secured Hedging Obligations, (g) the beneficiaries of each indemnification obligation undertaken by any Loan Party under this Agreement or any other Loan Document and (h) the successors and assigns of each of the foregoing.

" Securities Act " means the United States Securities Act of 1933.

" Security Documents " means the Collateral Agreement, the Foreign Pledge Agreements, the Mortgages, the Control Agreements and each other security agreement or other instrument or document executed and delivered pursuant to Section 5.12, Section 5.15 or the requirements of the Collateral and Guarantee Requirement to secure the Obligations.

" Senior Representative " means, with respect to any series of Other First Lien Secured Indebtedness, Indebtedness under the Second Lien Credit Agreement, Permitted Additional Second Priority Indebtedness or Refinancing Indebtedness in respect of any of the foregoing secured by the Collateral, the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement

pursuant to which such Indebtedness is issued, incurred or otherwise obtained, as the case may be, and each of their successors in such capacities.

" Series " has the meaning set forth in Section 2.21(b).

" Significant Domestic Subsidiary " means any Domestic Subsidiary that is a Significant Subsidiary.

" Significant Foreign Subsidiary " means any Foreign Subsidiary that is a Significant Subsidiary.

" Significant Subsidiary " means (a) each Subsidiary (i) with total assets (including the value of Equity Interests of its subsidiaries), on any date of determination, equal to or greater than $5,000,000 and/or (ii) the gross revenues (net of payroll, taxes and benefits) of which, for the four preceding fiscal quarters most recently ended, are equal to or greater than $5,000,000, in each case calculated in accordance with GAAP, and (b) each Subsidiary that owns any Equity Interests of any Subsidiary that would be deemed a Significant Subsidiary under clause (a)(i) or (a)(ii) above.

" Specified ECF Percentage " means, with respect to mandatory prepayments under Section 2.11(d) in respect of Excess Cash Flow for any fiscal year of Holdings, (a) 50%, if the Total Leverage Ratio as of the last day of such fiscal year is equal to or greater than 3.75 to 1.0, (b) 25%, if the Total Leverage Ratio as of the last day of such fiscal year is less than 3.75 to 1.0 and equal to or greater than 3.00 to 1.0, and (c) 0%, if the Total Leverage Ratio as of the last day of such fiscal year is less than 3.00 to 1.0.

" Specified Transaction " means, with respect to any period, any Investment, Permitted Acquisition, Disposition, incurrence or repayment of Indebtedness, Restricted Payment, incurrence of Incremental Facilities or other Indebtedness, or other event that by the terms of this Agreement requires "Pro Forma Compliance" with a test or covenant hereunder or requires such test or covenant to be calculated on a "Pro Forma Basis".

" Specified Uses " means (a) Investments (including to acquire Non-Compliant Subsidiaries in a Permitted Acquisition) made in reliance on Section 6.04(s)(ii), (b) Restricted Payments made in reliance on Section 6.08(a)(viii) and (c) payments or other distributions made in reliance on Section 6.08(b)(viii)(A).

" Statutory Reserve Rate " means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board of Governors and any other banking authority (domestic or foreign) to which the Administrative Agent or any Lender (including any branch, Affiliate or fronting office making or holding a Loan) is subject for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board of Governors). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar

Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

" Subordinated Indebtedness " of any Person means any Indebtedness of such Person that is subordinated in right of payment to any other Indebtedness of such Person.

" subsidiary " means, with respect to any Person (the " parent ") at any date, (a) any Person the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP, and (b) any other Person of which Equity representing more than 50% of the equity value or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

" Subsidiary " means any subsidiary of Holdings.

" Subsidiary Loan Party " means each wholly owned Significant Domestic Subsidiary that is a party to the Collateral Agreement. Unless the context requires otherwise, the term "Subsidiary Loan Party" shall include the Borrower. No Pass Through Foreign Subsidiary, CFC or CFC Holding Company shall be a Subsidiary Loan Party.

" Supplemental Perfection Certificate " means a certificate in the form of Exhibit I-2 or any other form approved by the Administrative Agent.

" Swingline Exposure " means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Revolving Lender at any time shall be such Revolving Lender's Applicable Percentage of the aggregate Swingline Exposure at such time.

" Swingline Lender " means JPMorgan Chase Bank, N.A., in its capacity as lender of Swingline Loans hereunder.

" Swingline Loan " means a Loan made pursuant to Section 2.04.

" Synthetic Lease Obligation " means, as to any Person, any lease (including leases that may be terminated by the lessee at any time) of real or personal property, or a combination thereof, (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee is deemed to own the property so leased for U.S. Federal income tax purposes, other than any such lease under which such Person is the lessor.

" Taxes " means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

" TEB Trust " means TriNet Employee Benefits Insurance Trust, a revocable grantor trust formed under the laws of the State of California and a wholly-owned Subsidiary of Holdings.

" Term Commitments " means, collectively, the Tranche B-1 Term Commitments, the Tranche B-2 Term Commitments and any commitments to make Incremental Term Loans.

" Term Lenders " means, collectively, the Tranche B-1 Term Lenders, the Tranche B-2 Term Lenders and any Lenders with an outstanding Incremental Term Loan or a Commitment to make an Incremental Term Loan.

" Term Loans " means, collectively, the Tranche B-1 Term Loans, the Tranche B-2 Term Loans and any Incremental Term Loans.

" Test Period " means each period of four consecutive fiscal quarters of Holdings.

" Total Leverage Ratio " means, on any date, the ratio of (a) Consolidated Total Debt as of such date minus the lesser of Available Domestic Cash as of such date and $50,000,000 to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters of Holdings most recently ended on or before such date for which financial statements have been delivered under Section 5.01(a) or (b).

" Tranche B-1 Term Commitment " means, with respect to each Lender, the commitment, if any, of such Lender to make a Tranche B-1 Term Loan hereunder on the Effective Date, expressed as an amount representing the maximum principal amount of the Tranche B-1 Term Loan to be made by such Lender hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.08 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Tranche B-1 Term Commitment is set forth on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Tranche B-1 Term Commitment, as applicable. The initial aggregate amount of the Lenders' Tranche B-1 Term Commitments is $175,000,000.

" Tranche B-1 Term Lender " means a Lender with a Tranche B-1 Term Commitment or an outstanding Tranche B-1 Term Loan.

" Tranche B-1 Term Loan " means a Loan made pursuant to clause (a) of Section 2.01.

" Tranche B-1 Term Maturity Date " means August 20, 2016.

" Tranche B-2 Term Commitment " means, with respect to each Lender, the commitment, if any, of such Lender to make a Tranche B-2 Term Loan hereunder on the Effective Date, expressed as an amount representing the maximum principal amount of the Tranche B-2 Term Loan to be made by such Lender hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.08 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Tranche B-2 Term Commitment is set forth on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Tranche B-2 Term Commitment, as applicable. The initial aggregate amount of the Lenders' Tranche B-2 Term Commitments is $455,000,000.

" Tranche B-2 Term Lender " means a Lender with a Tranche B-2 Term Commitment or an outstanding Tranche B-2 Term Loan.

" Tranche B-2 Term Loan " means a Loan made pursuant to clause (b) of Section 2.01.

" Tranche B-2 Term Maturity Date " means August 20, 2020.

" Transaction Costs " means all fees, costs and expenses incurred or payable by Holdings, the Borrower or any Subsidiary in connection with the Transactions consummated on the Effective Date.

" Transactions " means, collectively, (a) the execution, delivery and performance by each Loan Party of (i) the Loan Documents (including this Agreement) to which it is to be a party and (ii) the Second Lien Credit Agreement and the Second Lien Security Documents, in each case, to which it is party, (b) the creation and perfection of the security interests provided for in the Security Documents and the Second Lien Security Documents, (c) the Refinancing, (d) the Dividend and (e) the payment of the Transaction Costs.

" TriNet Canada " means TriNet Employer Group Canada, Inc., a corporation duly organized under the laws of Ontario, Canada.

" Type ", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

" Unrestricted Cash " means, as of any date, unrestricted cash, cash equivalents and Permitted Investments maturing in less than 12 months owned by Holdings, the Borrower and the Subsidiaries that are not, and are not presently required under the terms of any agreement or other arrangement binding on Holdings, the Borrower or any Subsidiary on such date to be, (a) pledged to or held in one or more accounts under the control of one or more creditors (other than to secure the Loan Document Obligations) or designated as "Work Site Employee Assets" on its balance sheet or (b) otherwise segregated from the general assets of Holdings, the Borrower and the Subsidiaries, in one or more special accounts or otherwise, for the purpose of securing or providing a source of payment for Indebtedness or other obligations that are or from

time to time may be owed to one or more creditors (other than to secure the Loan Document Obligations). It is agreed that cash and cash equivalents held in ordinary deposit or security accounts and not subject to any existing or contingent restrictions on transfer by Holdings, the Borrower or a Subsidiary will not be excluded from Unrestricted Cash by reason of setoff rights or other Liens created by law or by applicable account agreements in favor of the depositary institutions or security intermediaries.

" U.S. Person " means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

" U.S. Tax Compliance Certificate " has the meaning set forth in Section 2.17(f)(ii)(B)(3).

" USA Patriot Act " means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

" wholly-owned ", when used in reference to a subsidiary of any Person, means that all the Equity Interests in such subsidiary (other than directors' qualifying shares and other nominal amounts of Equity Interests that are required to be held by other Persons under applicable law) are owned, beneficially and of record, by such Person, another wholly-owned subsidiary of such Person or any combination thereof.

" Withdrawal Liability " means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans and Borrowings may be classified and referred to by Class (e.g. , a "Revolving Loan", "Revolving Borrowing", "Term Loan", "Term Borrowing", "Tranche B-1 Term Loan" or "Tranche B-1 Borrowing") or by Type (e.g. , a "Eurodollar Loan" or "Eurodollar Borrowing") or by Class and Type (e.g. , a "Eurodollar Revolving Loan" or "Eurodollar Revolving Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all real and personal, tangible and intangible assets and properties, including cash, securities, accounts and contract rights. The word "law" shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders, writs and decrees, of all Governmental Authorities. Unless the context requires otherwise, (a) any definition of or reference to

any agreement, instrument or other document (including this Agreement and the other Loan Documents) shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, extended, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, amendments and restatements, extensions, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, consolidated, replaced, interpreted, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement.

SECTION 1.04. Accounting Terms; GAAP; Pro Forma Calculations . (a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature used herein shall be construed in accordance with GAAP as in effect from time to time; provided that (i) if the Borrower, by notice to the Administrative Agent, shall request an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent or the Required Lenders, by notice to the Borrower, shall request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (ii) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to (A) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159, The Fair Value Option for Financial Assets and Financial Liabilities), or any successor thereto (including pursuant to the Accounting Standards Codification), to value any Indebtedness of the Borrower or any Subsidiary at "fair value", as defined therein and (B) any treatment of Indebtedness relating to convertible or equity-linked securities under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) requiring the valuation of any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof. For purposes of the foregoing, any change by the Borrower in its accounting principles and standards to adopt International Financial Reporting Standards, regardless of whether required by applicable laws and regulations, will be deemed a change in GAAP.

(b) For purposes of determining compliance with any test or covenant contained in this Agreement with respect to any period during which any Material Acquisition or Material Disposition occurs, Consolidated EBITDA, the Total Leverage Ratio and the First Lien Leverage Ratio shall be calculated with respect to such period on a Pro Forma Basis, giving effect to such Material Acquisition or Material Disposition.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees (a) to make a Tranche B-1 Term Loan to the Borrower on the Effective Date in a principal amount not exceeding its Tranche B-1 Term Commitment and (b) to make a Tranche B-2 Term Loan to the Borrower on the Effective Date in a principal amount not exceeding its Tranche B-2 Term Commitment and (c) to make Revolving Loans to the Borrower from time to time during the Revolving Availability Period in an aggregate principal amount that will not result in such Lender's Revolving Exposure exceeding such Lender's Revolving Commitment or the Aggregate Revolving Exposure exceeding the Aggregate Revolving Commitment; provided , that no Revolving Borrowings (other than, for the avoidance of doubt, issuances of Letters of Credit) will be made on the Effective Date. All Loans shall be denominated in dollars. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans. Amounts repaid or prepaid in respect of Term Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings. (a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.14, each Revolving Borrowing and Term Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith; provided that all Borrowings made on the Effective Date must be made as ABR Borrowings unless the Borrower shall have given the notice required for a Eurodollar Borrowing under Section 2.03 and provided an indemnity letter, in form and substance reasonably satisfactory to the Administrative Agent, extending the benefits of Section 2.16 to Lenders in respect of such Borrowings. Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple

of $500,000 and not less than $1,000,000; provided that a Eurodollar Borrowing that results from a continuation of an outstanding Eurodollar Borrowing may be in an aggregate amount that is equal to such outstanding Borrowing. At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $500,000 and not less than $1,000,000. Each Swingline Loan shall be in an amount that is an integral multiple of $100,000 and not less than $500,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of 10 (or such greater number as may be agreed to by the Administrative Agent) Eurodollar Borrowings outstanding. Notwithstanding anything to the contrary herein, an ABR Revolving Borrowing or a Swingline Loan may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Revolving Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.05(f), subject to the Swingline Loan sublimit set forth in Section 2.04(a)(i).

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert to or continue, any Eurodollar Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date applicable thereto.

SECTION 2.03. Requests for Borrowings. To request a Revolving Borrowing or Term Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 1:00 p.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 1:00 p.m., New York City time, on the day of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of an executed written Borrowing Request. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) whether the requested Borrowing is to be a Term Borrowing, an Incremental Term Borrowing of a particular Series or a Revolving Borrowing;

(ii) the aggregate amount of such Borrowing;

(iii) the date of such Borrowing, which shall be a Business Day;

(iv) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(v) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”; and

(vi) the location and number of the account to which funds are to be disbursed or, in the case of any Borrowing requested to finance the

reimbursement of an LC Disbursement as provided in Section 2.06(f), the identity of the Issuing Bank that made such LC Disbursement.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to the Borrower from time to time during the Revolving Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding $10,000,000 or (ii) the Aggregate Revolving Exposure exceeding the Aggregate Revolving Commitment; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by telephone not later than 1:00 p.m., New York City time, on the day of such proposed Swingline Loan. Each such notice shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of a written Borrowing Request signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to the general deposit account of the Borrower maintained with the Swingline Lender (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.05(f), by remittance to the applicable Issuing Bank or, to the extent that the Revolving Lenders have made payments pursuant to Section 2.05(f) to reimburse such Issuing Bank, to such Revolving Lenders and such Issuing Bank as their interests may appear) by 3:00 p.m., New York City time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 12:00 noon, New York City time, on any Business Day require the Revolving Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which the Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Swingline Loans. Each Revolving Lender hereby absolutely and

unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Swingline Loans. Each Revolving Lender acknowledges and agrees that, in making any Swingline Loan, the Swingline Lender shall be entitled to rely, and shall not incur any liability for relying, upon the representation and warranty of Holdings and the Borrower deemed made pursuant to Section 4.02 unless, at least one Business Day prior to the time such Swingline Loan was made, the Majority in Interest of the Revolving Lenders shall have notified the Swingline Lender (with a copy to the Administrative Agent) in writing that, as a result of one or more events or circumstances described in such notice, one or more of the conditions precedent set forth in Section 4.02(a) or 4.02(b) would not be satisfied if such Swingline Loan were then made (it being understood and agreed that, in the event the Swingline Lender shall have received any such notice, it shall have no obligation to make any Swingline Loan until and unless it shall be satisfied that the events and circumstances described in such notice shall have been cured or otherwise shall have ceased to exist). Each Revolving Lender further acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or any reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.06 with respect to Loans made by such Lender (and Section 2.06 shall apply, mutatis mutandis , to the payment obligations of the Revolving Lenders under this paragraph), and the Administrative Agent shall promptly remit to the Swingline Lender the amounts so received by it from the Revolving Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other Person on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted by the Swingline Lender to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, and thereafter to the Borrower, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not constitute a Loan and shall not relieve the Borrower of its obligation to repay such Swingline Loan.

SECTION 2.05. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit for its own account or, so long as the Borrower is a joint and several co-applicant with respect thereto, the account of any Subsidiary, denominated in dollars and in a form reasonably acceptable to the Administrative Agent and the applicable Issuing Bank, at

any time and from time to time during the Revolving Availability Period. The Borrower unconditionally and irrevocably agrees that, in connection with any Letter of Credit issued for the account of any Subsidiary as provided in the first sentence of this paragraph, it will be fully responsible for the reimbursement of LC Disbursements, the payment of interest thereon and the payment of fees due under Section 2.12(b) to the same extent as if it were the sole account party in respect of such Letter of Credit. Notwithstanding anything contained in any letter of credit application furnished to any Issuing Bank in connection with the issuance of any Letter of Credit, (i) all provisions of such letter of credit application purporting to grant liens in favor of the Issuing Bank to secure obligations in respect of such Letter of Credit shall be disregarded, it being agreed that such obligations shall be secured to the extent provided in this Agreement and in the Security Documents, and (ii) in the event of any inconsistency between the terms and conditions of such letter of credit application and the terms and conditions of this Agreement, the terms and conditions of this Agreement shall control. Each Letter of Credit issued hereunder shall be a standby letter of credit, and the Borrower may not request, nor will any Issuing Bank have any obligation to issue, any trade letter of credit under this Agreement.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit or the amendment, renewal or extension of an outstanding Letter of Credit (other than an automatic renewal permitted pursuant to paragraph (c) of this Section), the Borrower shall hand deliver or fax (or transmit by electronic communication, if arrangements for doing so have been approved by the recipient) to the applicable Issuing Bank and the Administrative Agent, reasonably in advance of the requested date of issuance, amendment, renewal or extension, a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the requested date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to enable the applicable Issuing Bank to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any such request. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon each issuance, amendment, renewal or extension of any Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, (i) the LC Exposure will not exceed $30,000,000 and (ii) the Aggregate Revolving Exposure will not exceed the Aggregate Revolving Commitment. Each Issuing Bank agrees that it shall not permit any issuance, amendment, renewal or extension of a Letter of Credit to occur unless it shall have given to the Administrative Agent written notice thereof required under paragraph (m) of this Section.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the

Revolving Maturity Date; provided that any Letter of Credit may contain customary automatic renewal provisions agreed upon by the Borrower and the applicable Issuing Bank pursuant to which the expiration date of such Letter of Credit shall automatically be extended for a period of up to 12 months (but not to a date later than the date set forth in clause (ii) above), subject to a right on the part of such Issuing Bank to prevent any such renewal from occurring by giving notice to the beneficiary in advance of any such renewal.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders, the Issuing Bank that is the issuer of such Letter of Credit hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Revolving Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank, such Revolving Lender's Applicable Percentage of each LC Disbursement made by the such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (f) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or any reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Lender further acknowledges and agrees that, in issuing, amending, renewing or extending any Letter of Credit, the applicable Issuing Bank shall be entitled to rely, and shall not incur any liability for relying, upon the representation and warranty of the Borrower deemed made pursuant to Section 4.02 unless, at least one Business Day prior to the time such Letter of Credit is issued, amended, renewed or extended (or, in the case of an automatic renewal permitted pursuant to paragraph (c) of this Section, at least one Business Day prior to the time by which the election not to extend must be made by the applicable Issuing Bank), the Majority in Interest of the Revolving Lenders shall have notified the applicable Issuing Bank (with a copy to the Administrative Agent) in writing that, as a result of one or more events or circumstances described in such notice, one or more of the conditions precedent set forth in Section 4.02(a) or 4.02(b) would not be satisfied if such Letter of Credit were then issued, amended, renewed or extended (it being understood and agreed that, in the event any Issuing Bank shall have received any such notice, no Issuing Bank shall have any obligation to issue, amend, renew or extend any Letter of Credit until and unless it shall be satisfied that the events and circumstances described in such notice shall have been cured or otherwise shall have ceased to exist).

(e) Disbursements. Each Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit and shall promptly notify the Administrative Agent and the

Borrower by telephone (confirmed by hand delivery or facsimile) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Reimbursements. If an Issuing Bank shall make an LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 1:00 p.m., New York City time, on the Business Day immediately following the day that the Borrower receives notice thereof from the Issuing Bank; provided that, if the amount of such LC Disbursement is not less than $500,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with an ABR Revolving Borrowing or Swingline Loan, and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing or Swingline Loan. If the Borrower fails to reimburse any LC Disbursement by the time specified above, the Administrative Agent shall notify each Revolving Lender of such failure, the payment then due from the Borrower in respect of the applicable LC Disbursement and such Revolving Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Applicable Percentage of the amount then due from the Borrower, in the same manner as provided in Section 2.06 with respect to Loans made by such Lender (and Section 2.06 shall apply, mutatis mutandis , to the payment obligations of the Revolving Lenders pursuant to this paragraph), and the Administrative Agent shall promptly remit to the applicable Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Revolving Lenders and such Issuing Bank as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse an Issuing Bank for an LC Disbursement (other than the funding of an ABR Revolving Borrowing or Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(g) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (f) of this Section is absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision thereof or hereof, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of, or provide a right of setoff against,

the Borrower's obligations hereunder. None of the Administrative Agent, the Lenders, the Issuing Banks or any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit, any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any other act, failure to act or other event or circumstance; provided that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as determined by a court of competent jurisdiction in a final and nonappealable judgment), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented that appear on their face to be in substantial compliance with the terms of a Letter of Credit, an Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit, and any such acceptance or refusal shall be deemed not to constitute gross negligence or willful misconduct.

(h) Disbursements. Each Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit and shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by hand delivery, facsimile or other electronic delivery) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(i) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement in full, at the rate per annum then applicable to ABR Revolving Loans; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (f) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be paid to the Administrative Agent, for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (f) of this Section to reimburse such Issuing Bank shall be for the account of

such Lender to the extent of such payment, and shall be payable on demand or, if no demand has been made, on the date on which the Borrower reimburses the applicable LC Disbursement in full.

(j) Cash Collateralization. If any Event of Default under clause (a), (b), (h) or (i) of Section 7.01 shall occur and be continuing, on the Business Day on which the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, a Majority in Interest of the Revolving Lenders) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Section 7.01. The Borrower also shall deposit cash collateral in accordance with this paragraph as and to the extent required by Section 2.11 or 2.20 and may elect to deposit cash collateral in accordance with this paragraph for purposes of Section 6.12(a). Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Notwithstanding the terms of any Security Document, moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Banks for LC Disbursements for which they have not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to (i) the consent of a Majority in Interest of the Revolving Lenders and (ii) in the case of any such application at a time when any Revolving Lender is a Defaulting Lender (but only if, after giving effect thereto, the remaining cash collateral shall be less than the aggregate LC Exposure of all the Defaulting Lenders), the consent of each Issuing Bank), be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived. If the Borrower is required to provide an amount of cash collateral hereunder pursuant to Section 2.11, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower to the extent that, after giving effect to such return, the Aggregate Revolving Exposure would not exceed the Aggregate Revolving Commitment and no Default shall have occurred and be continuing. If the Borrower is required to provide an amount of cash collateral hereunder pursuant to Section 2.20, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower to the extent that, after giving effect to such return, no Issuing Bank shall have any exposure in respect of any outstanding Letter of Credit that is not

fully covered by the Revolving Commitments of the non-Defaulting Lenders and/or the remaining cash collateral and no Default shall have occurred and be continuing. If the Borrower elects to provide cash collateral for purposes of Section 6.12(a), such amounts (to the extent not applied as aforesaid) shall remain on deposit for the entirety of each fiscal quarter immediately following the last day of any fiscal quarter in respect of which such cash collateral resulted in the inapplicability as of such last day of the Financial Covenant, and, upon expiration of such period, shall, provided that no Default shall have occurred and be continuing, be returned to the Borrower within three Business days after written request for such return is made by the Borrower to the Administrative Agent.

(k) Designation of Additional Issuing Banks. The Borrower may, at any time and from time to time, with the consent of the Administrative Agent (which consent shall not be unreasonably withheld), designate as additional Issuing Banks one or more Revolving Lenders that agree to serve in such capacity as provided below. The acceptance by a Revolving Lender of an appointment as an Issuing Bank hereunder shall be evidenced by an agreement, which shall be in form and substance reasonably satisfactory to the Administrative Agent, executed by the Borrower, the Administrative Agent and such designated Revolving Lender and, from and after the effective date of such agreement, (i) such Revolving Lender shall have all the rights and obligations of an Issuing Bank under this Agreement and (ii) references herein to the term "Issuing Bank" shall be deemed to include such Revolving Lender in its capacity as an issuer of Letters of Credit hereunder.

(l) Termination of an Issuing Bank. The Borrower may terminate the appointment of any Issuing Bank as an "Issuing Bank" hereunder by providing a written notice thereof to such Issuing Bank, with a copy to the Administrative Agent. Any such termination shall become effective upon the earlier of (i) such Issuing Bank acknowledging receipt of such notice and (ii) the tenth Business Day following the date of the delivery thereof; provided that no such termination shall become effective until and unless the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (or its Affiliates) shall have been reduced to zero. At the time any such termination shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the terminated Issuing Bank pursuant to Section 2.12(b). Notwithstanding the effectiveness of any such termination, the terminated Issuing Bank shall remain a party hereto and shall continue to have all the rights of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such termination, but shall not issue any additional Letters of Credit.

(m) Issuing Bank Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each Issuing Bank shall, in addition to its notification obligations set forth elsewhere in this Section, report in writing to the Administrative Agent (i) periodic activity (for such period or recurrent periods as shall be requested by the Administrative Agent) in respect of Letters of Credit issued by such Issuing Bank, including all issuances, extensions, amendments and renewals, all expirations and cancellations and all disbursements and reimbursements, (ii) reasonably prior to the time that such Issuing Bank issues, amends, renews or extends any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the stated

amount of the Letters of Credit issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed), (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date and amount of such LC Disbursement, (iv) on any Business Day on which the Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount of such LC Disbursement and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such Issuing Bank.

(n) LC Exposure Determination. For all purposes of this Agreement, the amount of a Letter of Credit that, by its terms or the terms of any document related thereto, provides for one or more automatic increases in the stated amount thereof shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at the time of determination.

SECTION 2.06. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 4:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that Swingline Loans shall be made as provided in Section 2.04. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the applicable Borrowing Request; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.05(f) shall be remitted by the Administrative Agent to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to Section 2.05(f) to reimburse such Issuing Bank, then to such Revolving Lenders and such Issuing Bank as their interests may appear.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption and in its sole discretion, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Revolving Loans of the applicable Class. If the

Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.07. Interest Elections. (a) Each Revolving Borrowing and Term Borrowing initially shall be of the Type and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in the applicable Borrowing Request or as otherwise provided in Section 2.03. Thereafter, the Borrower may elect to convert such Borrowing to a Borrowing of a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of an executed written Interest Election Request. Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(c) Promptly following receipt of an Interest Election Request in accordance with this Section, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of such Lender's portion of each resulting Borrowing.

(d) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall (i) in the case of a Term Borrowing, be continued as a Eurodollar Borrowing for an additional Interest Period of one month or (ii) in the case of a Revolving Borrowing, be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default under clause (h) or (i) of Section 7.01 has occurred and is continuing with respect to the Borrower, or if any other Event of Default has occurred and is continuing and the Administrative Agent, at the request of a Majority in Interest of Lenders of any Class, has notified the Borrower of the election to give effect to this sentence on account of such other Event of Default, then, in each such case, so long as such Event of Default is continuing, (i) no outstanding Borrowing of such Class may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing of such Class shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.08. Termination and Reduction of Commitments. (a) Unless previously terminated, the (i) Term Commitments shall automatically terminate at 5:00 p.m., New York City time, on the Effective Date and (ii) the Revolving Commitments shall automatically terminate on the Revolving Maturity Date.

(b) The Borrower may at any time terminate, or from time to time permanently reduce, the Commitments of any Class; provided that (i) each partial reduction of the Commitments of any Class shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000 and (ii) the Borrower shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans or Swingline Loans in accordance with Section 2.11, the Aggregate Revolving Exposure would exceed the Aggregate Revolving Commitment.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the applicable Class of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination or reduction of the Revolving Commitments delivered under this paragraph may state that such notice is conditioned upon the occurrence of one or more events specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the

Commitments of any Class shall be made ratably among the Lenders in accordance with their individual Commitments of such Class.

SECTION 2.09. Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan of such Lender on the Revolving Maturity Date, (ii) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Term Loan of such Lender as provided in Section 2.10, (iii) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Incremental Term Loan of such Lender on the Maturity Date applicable to such Incremental Term Loans and (iv) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Revolving Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two Business Days after such Swingline Loan is made; provided that on each date that a Revolving Borrowing is made, the Borrower shall repay all Swingline Loans that were outstanding on the date such Borrowing was requested.

(b) The records maintained by the Administrative Agent and the Lenders shall be prima facie evidence of the existence and amounts of the obligations of the Borrower in respect of Loans, LC Disbursements, interest and fees due or accrued hereunder; provided that the failure of the Administrative Agent or any Lender to maintain such records or any error therein shall not in any manner affect the obligation of the Borrower to pay any amounts due hereunder in accordance with the terms of this Agreement.

(c) Any Lender may request that Loans of any Class made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein (or to such payee and its registered assigns).

SECTION 2.10. Amortization of Term Loans. (a) Subject to adjustment pursuant to paragraph (c) of this Section, the Borrower shall repay to the Administrative Agent (i) for the ratable account of the Tranche B-1 Term Lenders, (A) on the last Business Day of each March, June, September and December, beginning with December 31, 2013, an aggregate amount equal to 0.25% of the aggregate amount of all Tranche B-1 Term Loans outstanding on the Effective Date and (B) on the Tranche B-1 Term Maturity Date, the aggregate principal amount of all Tranche B-1 Term Loans outstanding on such date and (ii) for the ratable account of the Tranche B-2 Term Lenders, (A) on the last Business Day of each March, June, September and December, beginning with December 31, 2013, an aggregate amount equal to 0.25% of the aggregate amount of all Tranche B-2 Term Loans outstanding on the Effective Date and (B) on the Tranche B-2 Term Maturity Date, the aggregate principal amount of all Tranche B-2

Term Loans outstanding on such date. The Borrower shall repay Incremental Term Loans of any Series in such amounts and on such date or dates as shall be specified therefor in the Incremental Facility Amendment establishing the Incremental Term Commitments of such Series (as such amount shall be adjusted pursuant to paragraph (c) of this Section or pursuant to such Incremental Facility Amendment).

(b) To the extent not previously paid, (i) all Tranche B-1 Term Loans shall be due and payable on the Tranche B-1 Term Maturity Date, (ii) all Tranche B-2 Term Loans shall be due and payable on the Tranche B-2 Term Maturity Date and (iii) all Incremental Term Loans of any Series shall be due and payable on the applicable Incremental Term Maturity Date.

(c) Any prepayment of Term Loans of any Class shall be applied to reduce the subsequent scheduled repayments of the Term Loans of such Class to be made pursuant to this Section ratably based on the amount of such scheduled repayments (including the repayment due and payable on the applicable Maturity Date); provided that any prepayment of any Class of Incremental Term Borrowings shall be applied to subsequent scheduled repayments as provided in the applicable Incremental Facility Amendment. In the event that Term Loans of any Class are converted into a new Class of Term Loans pursuant to a Refinancing Facility Agreement effected pursuant to Section 2.22, then the subsequent scheduled repayments of the Term Borrowings of such Class to be made pursuant to this Section will not be reduced or otherwise affected by such transaction (except to the extent of additional amortization payments in agreed amounts on or after the original Maturity Date applicable to any such Term Loans and related reductions in the final scheduled payment at any new Maturity Date).

(d) Prior to any repayment of any Term Loans of any Class under this Section, the Borrower shall select the Borrowing or Borrowings of the applicable Class to be repaid and shall notify the Administrative Agent by telephone (confirmed by hand delivery or facsimile) of such selection not later than 1:00 p.m., New York City time, three Business Days before the scheduled date of such repayment. Each repayment of a Term Loan shall be applied ratably to the Loans included in the repaid Term Borrowing. Repayments of Term Loans shall be accompanied by accrued interest on the amounts repaid.

SECTION 2.11. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, subject to the requirements of this Section.

(b) In the event and on each occasion that the Aggregate Revolving Exposure exceeds the Aggregate Revolving Commitment, the Borrower shall prepay Revolving Borrowings or Swingline Borrowings (or, if no such Borrowings are outstanding, deposit cash collateral in an account with the Administrative Agent in accordance with Section 2.05(j)) in an aggregate amount equal to such excess.

(c) In the event and on each occasion that any Net Proceeds are received by or on behalf of Holdings, the Borrower or any Subsidiary in respect of any

Prepayment Event (including by the Administrative Agent as loss payee in respect of any Prepayment Event described in clause (b) of the definition of the term "Prepayment Event"), the Borrower shall, not later than the fifth Business Day following the day such Net Proceeds are received, prepay Term Borrowings in an aggregate amount equal to 100% of the amount of such Net Proceeds; provided that the Borrower may use a portion of such Net Proceeds to prepay or repurchase Other First Lien Secured Indebtedness to the extent any applicable credit agreement, indenture or other agreement governing such Other First Lien Secured Indebtedness so requires, in each case in an amount not to exceed the product of (x) the amount of such Net Proceeds and (y) a fraction, the numerator of which is the outstanding principal amount of such Other First Lien Secured Indebtedness and the denominator of which is the sum of the outstanding principal amount of such Other First Lien Secured Indebtedness and the outstanding principal amount of Term Loans; provided further that, in the case of any event described in clause (a) or (b) of the definition of the term "Prepayment Event", if the Borrower shall, prior to the date of the required prepayment, deliver to the Administrative Agent a certificate of a Financial Officer of the Borrower to the effect that the Borrower intends to cause the Net Proceeds from such event (or a portion thereof specified in such certificate) to be applied within 365 days after receipt of such Net Proceeds to acquire assets to be used or useful in the business of the Borrower or any of the Subsidiary Loan Parties (or any Foreign Subsidiary solely to the extent such Net Proceeds are attributable to a Foreign Subsidiary), or to consummate any Permitted Acquisition in accordance with the provisions hereof of Persons that will become, or assets that will be held by, the Borrower or any of the Subsidiary Loan Parties (or any Foreign Subsidiary, solely to the extent such Net Proceeds are attributable to a Foreign Subsidiary) (but not of or by other Persons), and certifying that no Default has occurred and is continuing, then no prepayment shall be required pursuant to this paragraph in respect of the Net Proceeds in respect of such event (or the portion of such Net Proceeds specified in such certificate, if applicable) except to the extent of any such Net Proceeds that have not been so applied by the end of such 365-day period, with such Net Proceeds, at which time a prepayment shall be required in an amount equal to such Net Proceeds that have not been so applied.

(d) Subject to paragraph (h) of this Section, following the end of each fiscal year commencing with the fiscal year ending December 31, 2014 (each such fiscal year, an " ECF Year "), the Borrower shall prepay Term Loans in an aggregate amount equal to (i)(x) the Specified ECF Percentage of Excess Cash Flow in respect of such ECF Year plus , commencing with the payment to be made in respect of Excess Cash Flow for the ECF Year ending December 31, 2015, 100% of the ECF Shortfall Amount in respect of such ECF Year, minus (y) the aggregate amount of prepayments of Term Loans of any Class made pursuant to paragraph (a) of this Section during such fiscal year (excluding any such prepayments to the extent financed from Excluded Sources). Each such prepayment shall be applied, *first* , to the Tranche B-1 Term Loans, until no Tranche B-1 Term Loans are outstanding, and, *second* , to each of the other Classes of Term Loans outstanding, pro rata based on the aggregate principal amount of the Term Loans of each such Class outstanding as of the end of such fiscal year. Each prepayment pursuant to this paragraph shall be made on or before fifth Business Day following the date on which financial statements for such fiscal year are delivered pursuant to Section 5.01(a) with respect to the fiscal year for which Excess Cash Flow is being calculated, and in any

event not later than the fifth Business Day following the last day on which such financial statements may be delivered in compliance with such Section (the date of each such required prepayment, an " ECF Sweep Payment Date ").

(e) In the event and on each occasion that, as a result of the receipt of any cash proceeds by Holdings, the Borrower or any other Subsidiary in connection with any Disposition of any asset or any other event, Holdings, the Borrower or any other Loan Party would be required by the terms of any Indebtedness that is Subordinated Indebtedness with respect to the Loan Document Obligations (or any Refinancing Indebtedness in respect thereof) to repay, prepay, redeem, repurchase or defease, or make an offer to repay, prepay, redeem, repurchase or defease, any such Subordinated Indebtedness (or such Refinancing Indebtedness) or any other Subordinated Indebtedness, then, prior to the time at which it would be required to make such repayment, prepayment, redemption, repurchase or defeasance or to make such offer, the Borrower shall, if and to the extent it would reduce, eliminate or satisfy any such requirement, (i) prepay Term Borrowings or (ii) use such cash proceeds to acquire assets in one or more transactions permitted hereby.

(f) Prior to any optional or mandatory prepayment of Borrowings under this Section, the Borrower shall specify the Borrowing or Borrowings to be prepaid in the notice of such prepayment delivered pursuant to paragraph (g) of this Section. In the event of any mandatory prepayment of Term Loans made at a time when Term Loans of more than one Class are outstanding, the Borrower shall, except as otherwise set forth in paragraph (d) of this Section, select Term Loans to be prepaid so that the aggregate amount of such prepayment is allocated between Tranche B-1 Term Borrowings and Tranche B-2 Term Borrowings (and, to the extent provided in the Incremental Facility Amendment for any Class of Incremental Term Loans, the Borrowings of such Class) pro rata based on the aggregate principal amounts of outstanding Term Loans of each such Class.

(g) The Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by hand delivery or facsimile) of any optional prepayment and, to the extent practicable, any mandatory prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 1:00 p.m., New York City time, three Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Borrowing, not later than 1:00 p.m., New York City time, one Business Day before the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 1:00 p.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment; provided that (A) if a notice of optional prepayment is given in connection with a conditional notice of termination of the Revolving Commitments as contemplated by Section 2.08, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.08 and (B) a notice of prepayment of Term Loans pursuant to paragraph (a) of this Section may state that such notice is conditioned upon the occurrence of one or more events specified

therein, in which case such notice of prepayment may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified date of prepayment) if such condition is not satisfied. Promptly following receipt of any such notice (other than a notice relating solely to Swingline Loans), the Administrative Agent shall advise the Lenders of the applicable Class of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12.

(h) Notwithstanding the provisions of paragraph (d) of this Section 2.11, if, immediately after giving effect to any prepayment required by such paragraph in respect of Excess Cash Flow for any ECF Year and the ECF Shortfall Amount in respect of such ECF Year, the GAAP Working Capital of Holdings (as would be reflected on a consolidated balance sheet prepared in accordance with GAAP as of the prepayment date or as of the last day of the ECF Year in respect of which Excess Cash Flow is being calculated, in each case giving effect to such prepayment) would be less than $10,000,000, then the Borrower may defer payment of such amount of the required repayment to the next following ECF Sweep Payment Date as may be necessary so that such GAAP Working Capital as of each such date (calculated as provided above and giving effect to any prepayment made) will equal at least $10,000,000 (such retained amount in respect of the aggregate prepayment otherwise required to be made pursuant to paragraph (d) of this Section in that fiscal year, the " ECF Shortfall Amount " for such fiscal year, which for the avoidance of doubt will include, to the extent not paid on such payment date, the Excess Cash Flow payment in respect of the immediately preceding ECF Year as well as the ECF Shortfall Amount from such preceding fiscal year). Notwithstanding the foregoing, if on the last day of any fiscal quarter, the GAAP Working Capital of Holdings, taking into account the accrual under GAAP of payment obligations in respect of the ECF Shortfall Amount and the projected Excess Cash Flow prepayment to be made on the next following ECF Sweep Payment Date, would be less than $10,000,000, then only such portion (if any) of such ECF Shortfall Amount and of the Excess Cash Flow prepayment that would otherwise be required to be made on the next following ECF Sweep Payment Date that, if due and payable on such ECF Sweep Payment Date, would not result in such GAAP Working Capital being less than $10,000,000, will be payable on such ECF Sweep Payment Date, and the Borrower's obligation to pay the remainder of such ECF Shortfall Amount and such Excess Cash Flow prepayment will be automatically extended and deferred to the second following ECF Sweep Payment Date (subject, however, to adjustment in connection with calculations of GAAP Working Capital on subsequent fiscal quarter end dates and, in the case of the next following ECF Sweep Payment Date, pursuant to the first sentence of this paragraph (h)).

(i) All (i) voluntary prepayments of Tranche B-2 Term Loans effected on or prior to the first anniversary of the Effective Date with the proceeds of a Repricing Transaction and (ii) Permitted Amendments, amendments, amendments and restatements or other modifications of this Agreement on or prior to the first anniversary of the

Effective Date constituting Repricing Transactions, shall in each case be accompanied by a fee payable to the Tranche B-2 Term Lenders in an amount equal to 1.00% of the aggregate principal amount of the Tranche B-2 Term Borrowings so prepaid, in the case of a transaction described in clause (i) of this paragraph, or 1.00% of the aggregate principal amount of Tranche B-2 Term Loans affected by such amendment, amendment and restatement or other modification (including any such Loans assigned in connection with the replacement of a Tranche B-2 Term Lender not consenting thereto), in the case of a transaction described in clause (ii) of this sentence. Such fee shall be paid by the Borrower to the Administrative Agent, for the account of the Tranche B-2 Term Lenders, on the date of such prepayment.

SECTION 2.12. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee, which shall accrue at the rate of 0.50% per annum on the daily unused amount of the Revolving Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which the Revolving Commitments terminate. Accrued commitment fees shall be payable in arrears on the third Business Day following the last day of March, June, September and December of each year and on the date on which the Revolving Commitments terminate, commencing on the first such date to occur after the date hereof. All such commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, a Revolving Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans and LC Exposure of such Lender (and the Swingline Exposure of such Lender shall be disregarded for such purpose).

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the Applicable Rate used to determine the interest rate applicable to Eurodollar Revolving Loans on the daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to each Issuing Bank a fronting fee of 0.125% per annum on the average daily amount of the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any such LC Exposure, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to an Issuing Bank

pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to an Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Revolving Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2.00% per annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2.00% per annum plus the rate applicable to ABR Revolving Loans as provided in paragraph (a) of this Section. Payment or acceptance of the increased rates of interest provided for in this paragraph (c) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent, any Issuing Bank or any Lender.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of a Revolving Loan, upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Revolving Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of a Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and shall be payable for the actual number of days elapsed (including the first day but excluding the last day; provided that, if a Loan, or a portion thereof, is repaid on the same day on which such Loan is made, one day's interest shall accrue on the portion of such Loan so prepaid). The applicable Alternate Base Rate or Adjusted LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing of any Class:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by a Majority in Interest of the Lenders of such Class that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Eurodollar Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders of such Class by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders of such Class that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing of such Class to, or continuation of any Borrowing of such Class as, a Eurodollar Borrowing shall be ineffective, and such Borrowing shall be continued as an ABR Borrowing and (ii) any Borrowing Request for a Eurodollar Borrowing of such Class shall be treated as a request for an ABR Borrowing.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or any Issuing Bank;

(ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Credit Party to any Taxes (other than (A) Indemnified Taxes (B) Taxes described in clauses (b) through (d) of the definition of Excluded

Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Credit Party of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, such Issuing Bank or such other Credit Party of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit) or to reduce the amount of any sum received or receivable by such Lender, such Issuing Bank or such other Credit Party hereunder (whether of principal, interest or otherwise), then, from time to time upon request of such Lender, such Issuing Bank or such other Credit Party, the Borrower will pay to such Lender, such Issuing Bank or such other Credit Party, as applicable, such additional amount or amounts as will compensate such Lender, such Issuing Bank or such other Credit Party, as applicable, for such additional costs or expenses incurred or reduction suffered.

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has had or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy or liquidity), then, from time to time upon the request of such Lender or such Issuing Bank, the Borrower will pay to such Lender or such Issuing Bank, as applicable, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Credit Party setting forth the amount or amounts necessary to compensate such Lender or such Credit Party or its holding company, as applicable, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Credit Party the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Credit Party to demand compensation pursuant to this Section shall not constitute a waiver of such Credit Party's right to demand such compensation; provided that the Borrower shall not be required to compensate a Credit Party pursuant to this Section for any increased costs or expenses incurred or reductions suffered more than 270 days prior to the date that such Credit Party notifies the Borrower of the Change in Law giving rise to such increased costs or expenses or reductions and of such Credit Party's intention to claim compensation

therefor; provided further that, if the Change in Law giving rise to such increased costs or expenses or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Revolving Loan or Term Loan on the date specified in any notice delivered pursuant hereto (whether or not such notice may be revoked in accordance with the terms hereof) or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19(b) or 9.02(c), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan (but not including the Applicable Rate applicable thereto), for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate that such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the London interbank market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

SECTION 2.17. Taxes. (a) Payment Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under this Agreement or any other Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Credit Party receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Loan Parties. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent reimburse it for the payment of, any Other Taxes.

(c) Evidence of Payment. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Credit Party, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Credit Party or required to be withheld or deducted from a payment to such Credit Party and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error; provided that the Loan Parties shall not be required to indemnify a Credit Party pursuant to this Section to the extent that such Credit Party fails to notify the Loan Parties of its intent to make a claim for indemnification under this Section within 270 days after a claim is asserted by the relevant Governmental Authority.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand thereof, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case that are payable or paid by the Administrative Agent in connection with this Agreement or any other Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph. Any amounts set off by the Administrative Agent pursuant to the preceding sentence shall, to the extent such amounts relate to any Loan Document, be treated as having been paid in accordance with, and for purposes of, such Loan Document.

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from, or reduction of, withholding Tax with respect to payments made under this Agreement or any other Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A), 2.17(f)(ii)(B) or 2.17(f)(ii)(D)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding Tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under this Agreement or any other Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under this Agreement or any other Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal

withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit K-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a " U.S. Tax Compliance Certificate ") and (y) executed originals of IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit K-3 or Exhibit K-4 , IRS Form W-9 and/or another certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit K-2 on behalf of each such direct or indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from, or a reduction in, U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine withholding or deduction required to be made; and

(D) if a payment made to a Credit Party under this Agreement or any other Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Credit Party were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Credit Party shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such

documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Credit Party has complied with such Credit Party's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) To the extent legally permissible, the Administrative Agent, in the event that the Administrative Agent is a U.S. Person, shall deliver an IRS Form W-9 to the Borrower and if the Administrative Agent is not a U.S. Person, the applicable IRS Form W-8 certifying its exemption from U.S. withholding Taxes with respect to amounts payable hereunder, on or prior to the date the Administrative Agent becomes a party to this Agreement.

Each Credit Party agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall promptly update such form or certification or notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts paid pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph, in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this paragraph the payment of which would place such indemnified party in a less favorable net after-Tax position than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment,

satisfaction or discharge of all obligations under this Agreement and the other Loan Documents.

(i) Issuing Bank. For purposes of this Section, the term "Lender" includes any Issuing Bank.

(j) The Borrower agrees that it will, to the extent required by applicable law, determine whether or not the Loans are traded on an established market and, if so, will also determine the fair market value of the Loans (which, in such case and for the avoidance of doubt, will be the issue price of the Loans), each within the meaning of Section 1.1273-2(f) of the United States Treasury Regulations. Any such determinations shall be made available to the Lenders as promptly as practicable, and in any case within 90 days, after the Effective Date in a commercially reasonable fashion.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Setoffs. (a) The Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 1:00 p.m., New York City time), on the date when due, in immediately available funds, without any defense, setoff, recoupment or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to such account or accounts as may be specified by the Administrative Agent, except that payments required to be made directly to any Issuing Bank or the Swingline Lender shall be so made, payments pursuant to Sections 2.15, 2.16 or 2.17 and 9.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payment received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under this Agreement or any other Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments under this Agreement and each other Loan Document shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) Except to the extent that this Agreement provides for payments to be disproportionately allocated to or retained by a particular Lender or group of Lenders (including in connection with the payment of interest or fees at different rates and the repayment of principal amounts of Term Loans at different times as a result of Refinancing Agreements pursuant to Section 2.22), each Lender agrees that if it shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans, Term Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans, Term Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall notify the Administrative Agent of such fact and shall purchase (for cash at face value) participations in the Revolving Loans, Term Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the aggregate amount of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans, Term Loans and participations in LC Disbursements or Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (for the avoidance of doubt, as in effect from time to time), including the application of funds arising from the existence of a Defaulting Lender, or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any Eligible Assignee, other than to the Borrower or any Subsidiary or other Affiliate thereof in a transaction that does not comply with the terms of Section 2.24 or Section 9.04(e) or (f), as applicable (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption and in its sole discretion, distribute to the Lenders or the Issuing Banks, as applicable, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Banks, as applicable, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate

determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(d) or (f), 2.06(a) or (b), 2.17(e), 2.18(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations in respect of such payment until all such unsatisfied obligations have been discharged and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

(f) In the event that any financial statements delivered under Section 5.01(a) or 5.01(b), or any compliance certificate delivered under Section 5.01(c), shall prove to have been materially inaccurate, and such inaccuracy shall have resulted in the payment of any interest or fees at rates lower than those that were in fact applicable for any period (based on the actual First Lien Leverage Ratio), then, if such inaccuracy is discovered prior to the termination of the Commitments and the repayment in full of the principal of all Loans and the reduction of the LC Exposure to zero, the Borrower shall pay to the Administrative Agent, for distribution to the Lenders and the Issuing Banks (or former Lenders and Issuing Banks) as their interests may appear, the accrued interest or fees that should have been paid but were not paid as a result of such misstatement

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.15, or if any Loan Party is required to pay any Indemnified Taxes or additional amounts to any Lender or to any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall (at the request of the Borrower) use commercially reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign and delegate its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment and delegation (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as applicable, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not be inconsistent with its internal policies or otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment and delegation.

(b) If (i) any Lender has requested compensation under Section 2.15, (ii) the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17 or (iii) any Lender has become a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04(c)), all its interests, rights (other than

its existing rights to payments pursuant to Section 2.15 or 2.17) and obligations under this Agreement and the other Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment and delegation); provided that (A) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Revolving Commitment is being assigned, each Issuing Bank and the Swingline Lender), which consent shall not unreasonably be withheld, (B) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and, if applicable participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (including, if applicable, the prepayment fee pursuant to Section 2.11(i) (with such assignment being deemed to be an optional prepayment for purposes of determining the applicability of such Section)) (if applicable, in each case only to the extent such amounts relate to its interest as a Lender of a particular Class) from the assignee (in the case of such principal and accrued interest and fees (other than any fee payable pursuant to Section 2.11(i)) or the Borrower (in the case of all other amounts (including any fee payable pursuant to Section 2.11(i))), (C) the Borrower or such assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 9.04(b), (D) in the case of any such assignment and delegation resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a material reduction in such compensation or payments, and (E) such assignment does not conflict with applicable law. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver or consent by such Lender or otherwise (including as a result of any action taken by such Lender under paragraph (a) above), the circumstances entitling the Borrower to require such assignment and delegation have ceased to apply. Each party hereto agrees that an assignment and delegation required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Lender required to make such assignment and delegation need not be a party thereto.

SECTION 2.20. Defaulting Lenders. (a) Defaulting Lender Adjustments. Notwithstanding any provision of this Agreement to the contrary, if any Revolving Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. The Aggregate Revolving Commitment and Revolving Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder or under any other Loan Document (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided that any amendment, waiver or other modification requiring the consent of all Lenders or all Lenders affected thereby shall, except as otherwise provided in Section 9.02, require the consent of such Defaulting Lender in accordance with the terms hereof.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such

Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 2.18(c) shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first* , to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second* , to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Bank or the Swingline Lender hereunder; *third* , to cash collateralize the Issuing Banks' Fronting Exposure with respect to such Defaulting Lender in accordance with the procedures set forth in Section 2.05(j); *fourth* , as the Borrower may request (so long as no Default exists), to the funding of any Revolving Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth* , if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Revolving Loans under this Agreement and (y) cash collateralize the Issuing Banks' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with the procedures set forth in Section 2.05(j); *sixth* , to the payment of any amounts owing to the Lenders, the Issuing Banks or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, an Issuing Bank or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh* , so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth* , to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Revolving Loans or LC Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Revolving Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Revolving Loans of, and LC Disbursements owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Revolving Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as all Revolving Loans and funded and unfunded participations in Letters of Credit and Swingline Loans are held by the Lenders pro rata in accordance with the Commitments without giving effect to subparagraph (a)(iv) of this Section. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and such Defaulting Lender irrevocably consents hereto.

(iii) Certain Fees. (A) No Defaulting Lender shall be entitled to receive any commitment fee under Section 2.12(a) for any period during which that

Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive participation fees under Section 2.12(b) in respect of its participations in Letters of Credit for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided cash collateral pursuant to Section 2.05(j).

(C) With respect to any participation fee in respect of Letters of Credit not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letters of Credit that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to each Issuing Bank and the Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuing Bank's or the Swingline Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in LC Exposure and Swingline Exposure shall be reallocated among the Non-Defaulting Lenders in accordance with their Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (x) the conditions set forth in Section 4.02 are satisfied at the time of such reallocation and (y) such reallocation does not cause the aggregate Revolving Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Loans. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, (x) first, prepay Swingline Loans in an amount equal to the Swingline Lender's Fronting Exposure on account of such Defaulting Lender and (y) second, cash collateralize the Issuing Banks' Fronting Exposure on account of such Defaulting Lender in accordance with the procedures set forth in Section 2.05(j).

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swingline Lender and the Issuing Banks agree in writing that a Revolving Lender is

no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any cash collateral), that Revolving Lender will, to the extent applicable, purchase at par that portion of outstanding Revolving Loans of the other Revolving Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held pro rata by the Revolving Lenders in accordance with the relative amounts of their Revolving Commitments (without giving effect to subparagraph (a)(iv) of this Section), whereupon such Revolving Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided , further , that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Non-Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Revolving Lender's having been a Defaulting Lender.

(c) New Swingline Loans/Letters of Credit. So long as any Revolving Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and no Issuing Bank shall be required to issue, amend, extend, renew or increase any Letter of Credit, to the extent that the reallocation described in Section 2.20(a)(iv) cannot be effected or cash collateral has not been provided by the Borrower in accordance with Section 2.20(a)(v).

(d) If (i) a Bankruptcy Event with respect to a Revolving Lender Parent shall occur following the date hereof and for so long as such event shall continue or (ii) the Swingline Lender or an Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and such Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or such Issuing Bank, as the case may be, shall have entered into arrangements with the Borrower or such Lender, satisfactory to the Swingline Lender or such Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

SECTION 2.21. Incremental Facilities. (a) The Borrower may on one or more occasions, by written notice to the Administrative Agent, request (i) during the Revolving Availability Period, the establishment of Incremental Revolving Commitments and/or (ii) the establishment of Incremental Term Commitments, provided that the sum of the cumulative aggregate original amount of all the Incremental Commitments established under this Section and aggregate original amount of all Alternative Incremental Facility Indebtedness incurred under Section 6.01(a)(xiii) shall not, on the date of effectiveness of any Incremental Commitments under this Section or the date of issuance of any such Alternative Incremental Facility Indebtedness, as the case may be, exceed the Maximum Incremental Amount in effect on such date. Each such notice shall specify (A) the date on which the Borrower proposes that the Incremental Revolving Commitments or the Incremental Term Commitments, as applicable, shall be effective,

which shall be a date not less than 10 Business Days (or such shorter period as may be agreed to by the Administrative Agent) after the date on which such notice is delivered to the Administrative Agent and (B) the amount of the Incremental Revolving Commitments or Incremental Term Commitments, as applicable, being requested (it being agreed that (x) any Lender approached to provide any Incremental Revolving Commitment or Incremental Term Commitment may elect or decline, in its sole discretion, to provide such Incremental Revolving Commitment or Incremental Term Commitment and (y) any Person that the Borrower proposes to become an Incremental Lender, (1) if such Person is not then a Lender, must be an Eligible Assignee and (2) in the case of an Incremental Revolving Commitment, must be reasonably acceptable to the Administrative Agent, each Issuing Bank and the Swingline Lender).

(b) The terms and conditions of any Incremental Revolving Commitment and Loans and other extensions of credit to be made thereunder shall be, except as otherwise set forth herein, identical to those of the Revolving Commitments and Loans and other extensions of credit made thereunder, and shall be treated as a single Class with such Revolving Commitments and Loans; provided that (x) the maturity date of any Incremental Revolving Commitments shall be no sooner than, but may be later than, the Revolving Maturity Date and (y) the upfront fees applicable to any Incremental Revolving Facility shall be as determined by the Borrower and the Incremental Revolving Lenders providing such Incremental Facility. The terms and conditions of any Incremental Term Facility and the Incremental Term Loans to be made thereunder shall be, except as otherwise set forth herein or in the applicable Incremental Facility Amendment, identical to those of the Term Commitments and the Term Loans; provided that (i) the upfront fees, interest rates and amortization schedule applicable to any Incremental Term Facility and Incremental Term Loans shall be determined by the Borrower and the Incremental Term Lenders providing the relevant Incremental Term Commitments, (ii) except in the case of an Incremental Term Facility effected as an increase to an existing Class of Term Loans, the weighted average life to maturity of any Incremental Term Loans shall be no shorter than the remaining weighted average life to maturity of the Terms Loans with the latest Maturity Date, (iii) if the weighted average yield relating to any Incremental Term Loan exceeds the weighted average yield relating to the Tranche B-2 Term Loans immediately prior to the effectiveness of the applicable Incremental Facility Amendment by more than 0.50% (to be determined by the Administrative Agent consistent with generally accepted financial practices, after giving effect to margins, upfront or similar fees, or original issue discount, in each case shared with all lenders or holders thereof and applicable interest rate floors (but only to the extent that an increase in the interest rate floor applicable to the Tranche B-2 Term Loans would result in an increase in an interest rate then in effect for the Tranche B-2 Term Loans hereunder)), then the Applicable Rate (A) relating to the Tranche B-2 Term Loans shall be adjusted so that the weighted average yield relating to such Incremental Term Loans shall not exceed the weighted average yield relating to the Tranche B-2 Term Loans by more than 0.50% and (B) relating to the Tranche B-1 Term Loans shall be adjusted to the same extent as the Applicable Rate relating to the Tranche B-2 Term Loans required by subclause (b)(iii)(A) of this Section; provided that, in the case of the Tranche B-2 Term Loans only, any greater interest rate floor applicable to such Incremental Term Facility will, if requiring an adjustment hereunder, be reflected as an

increase to the interest rate floor applicable to the Tranche B-2 Term Loans rather than being reflected in an adjustment to the Applicable Rate and (iv) no Incremental Term Loan Maturity Date shall be earlier than the Latest Maturity Date. Any Incremental Term Commitments established pursuant to an Incremental Facility Amendment that have identical terms and conditions, and any Incremental Term Loans made thereunder, shall be designated as a separate series (each a " Series ") of Incremental Term Commitments and Incremental Term Loans for all purposes of this Agreement. Each Incremental Facility and all extensions of credit thereunder shall be secured by the Collateral on a pari passu basis with the other Loan Document Obligations.

(c) The Incremental Commitments and Incremental Facilities relating thereto shall be effected pursuant to one or more Incremental Facility Amendments executed and delivered by Holdings, the Borrower, each Incremental Lender providing such Incremental Commitments and Incremental Facilities and the Administrative Agent; provided that no Incremental Commitments shall become effective unless (i) no Default or Event of Default shall have occurred and be continuing on the date of effectiveness thereof, both immediately prior to and immediately after giving effect to such Incremental Commitments and the making of Loans and issuance of Letters of Credit thereunder to be made on such date, (ii) on the date of effectiveness thereof, the representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct (A) in the case of the representations and warranties qualified as to materiality, in all respects and (B) otherwise, in all material respects, in each case on and as of such date, except in the case of any such representation and warranty that expressly relates to a prior date, in which case such representation and warranty shall be so true and correct on and as of such prior date, (iii) the Borrower shall make any payments required to be made pursuant to Section 2.16 in connection with such Incremental Commitments and the related transactions under this Section and (iv) the Borrower shall have delivered to the Administrative Agent such legal opinions, board resolutions, secretary's certificates, officer's certificates and other documents as shall reasonably be requested by the Administrative Agent in connection with any such transaction, including a certificate of a Financial Officer of the Borrower to the effect set forth in clauses (i) and (ii) above, together with reasonably detailed calculations demonstrating compliance with Section 2.21(a) above. Each Incremental Facility Amendment may, without the consent of any Lender, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to give effect to the provisions of this Section, provided that to the extent that any term of any such amendment could not be approved as an amendment of this Agreement by the Lenders providing such Incremental Commitments voting a single Class without the approval of any other Lender, such amendment will be subject to the approval of the requisite Lenders required under this Agreement.

(d) Upon the effectiveness of an Incremental Commitment of any Incremental Lender, (i) such Incremental Lender shall be deemed to be a "Lender" (and a Lender in respect of Commitments and Loans of the applicable Class) hereunder, and henceforth shall be entitled to all the rights of, and benefits accruing to, Lenders (or Lenders in respect of Commitments and Loans of the applicable Class) hereunder and shall be bound by all agreements, acknowledgements and other obligations of Lenders (or

Lenders in respect of Commitments and Loans of the applicable Class) hereunder and under the other Loan Documents and (ii) in the case of any Incremental Revolving Commitment, (A) such Incremental Revolving Commitment shall constitute (or, in the event such Incremental Lender already has a Revolving Commitment, shall increase) the Revolving Commitment of such Incremental Lender and (B) the Aggregate Revolving Commitment shall be increased by the amount of such Incremental Revolving Commitment, in each case, subject to further increase or reduction from time to time as set forth in the definition of the term "Revolving Commitment". For the avoidance of doubt, upon the effectiveness of any Incremental Revolving Commitment, the Revolving Exposure of the Incremental Revolving Lender holding such Commitment, and the Applicable Percentage of all the Revolving Lenders, shall automatically be adjusted to give effect thereto.

(e) On the date of effectiveness of any Incremental Revolving Commitments, each Revolving Lender shall assign to each Incremental Revolving Lender holding such Incremental Revolving Commitment, and each such Incremental Revolving Lender shall purchase from each Revolving Lender, at the principal amount thereof (together with accrued interest), such interests in the Revolving Loans and participations in Letters of Credit outstanding on such date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans and participations in Letters of Credit will be held by all the Revolving Lenders (including such Incremental Revolving Lenders) ratably in accordance with their Applicable Percentages after giving effect to the effectiveness of such Incremental Revolving Commitment.

(f) Subject to the terms and conditions set forth herein and in the applicable Incremental Facility Amendment, each Lender holding an Incremental Term Commitment of any Series shall make a loan to the Borrower in an amount equal to such Incremental Term Commitment on the date specified in such Incremental Facility Amendment.

(g) The Administrative Agent shall notify the Lenders promptly upon receipt by the Administrative Agent of any notice from the Borrower referred to in Section 2.21(a) and of the effectiveness of any Incremental Commitments, in each case advising the Lenders of the details thereof and, in the case of effectiveness of any Incremental Revolving Commitments, of the Applicable Percentages of the Revolving Lenders after giving effect thereto and of the assignments required to be made pursuant to Section 2.21(e).

SECTION 2.22. Refinancing Facilities. (a) The Borrower may, on one or more occasions, by written notice to the Administrative Agent, request the establishment hereunder of one or more additional Classes of term loan commitments (the " Refinancing Term Loan Commitments ") pursuant to which each Person providing such a commitment (a " Refinancing Term Lender ") will make term loans to the Borrower (the " Refinancing Term Loans "); provided that each Refinancing Term Lender shall be an Eligible Assignee and, if not already a Lender, shall otherwise be reasonably acceptable to the Administrative Agent.

(b) The Refinancing Commitments shall be effected pursuant to one or more Refinancing Facility Agreements executed and delivered by Holdings, the Borrower, each Refinancing Lender providing such Refinancing Term Loan Commitments and the Administrative Agent; provided that no Refinancing Term Loan Commitments shall become effective unless (i) no Default shall have occurred and be continuing on the date of effectiveness thereof, (ii) on the date of effectiveness thereof, the representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct (A) in the case of the representations and warranties qualified as to materiality, in all respects and (B) otherwise, in all material respects, in each case on and as of such date, except in the case of any such representation and warranty that specifically relates to an earlier date, in which case such representation and warranty shall be so true and correct on and as of such earlier date, (iii) Holdings and the Borrower shall have delivered to the Administrative Agent such legal opinions, board resolutions, secretary's certificates, officer's certificates and other documents as shall reasonably be requested by the Administrative Agent in connection with any such transaction and (iv) substantially concurrently with the effectiveness thereof, the Borrower shall obtain Refinancing Term Loans thereunder and shall repay or prepay then outstanding Term Borrowings of one or more Classes in an aggregate principal amount equal to the aggregate amount of such Refinancing Term Loan Commitments (less the aggregate amount of accrued and unpaid interest with respect to such outstanding Term Borrowings and any reasonable fees, premium and expenses relating to such refinancing). The Borrower shall determine the amount of such prepayments allocated to each Class of outstanding Term Loans, and any such prepayment of Term Borrowings of any Class shall be applied to reduce the subsequent scheduled repayments of Term Borrowings of such Class to be made pursuant to Section 2.10 as directed by the Borrower).

(c) The Refinancing Facility Agreement shall set forth, with respect to the Refinancing Term Loan Commitments established thereby and the Refinancing Term Loans and other extensions of credit to be made thereunder, to the extent applicable, the following terms thereof: (i) the designation of such Refinancing Term Loan Commitments and Refinancing Term Loans as a new "Class" for all purposes hereof, (ii) the stated termination and maturity dates applicable to the Refinancing Term Loan Commitments or Refinancing Term Loans of such Class; provided that such stated termination and maturity dates shall not be earlier than the Maturity Date applicable to the Class of Term Loans so refinanced, (iii) any amortization applicable thereto and the effect thereon of any prepayment of such Refinancing Term Loans, (iv) the interest rate or rates applicable to the Refinancing Term Loans of such Class, (v) the fees applicable to the Refinancing Term Loan Commitments or Refinancing Term Loans of such Class, (vi) any original issue discount applicable thereto, (vii) the initial Interest Period or Interest Periods applicable to Refinancing Term Loans of such Class, (viii) any voluntary or mandatory commitment reduction or prepayment requirements applicable to Refinancing Term Loan Commitments or Refinancing Term Loans of such Class (which prepayment requirements may provide that such Refinancing Term Loans may participate in any mandatory prepayment on a pro rata basis with any Class of existing Term Loans, but may not provide for prepayment requirements that are more favorable to the Lenders holding such Refinancing Term Loans than to the Lenders holding such Class of Term Loans) and any restrictions on the voluntary or mandatory reductions or prepayments of

Refinancing Term Loan Commitments or Refinancing Term Loans of such Class and (ix) any financial covenant with which Holdings and the Borrower shall be required to comply, provided that any such financial covenant shall be for the benefit of all Lenders. Except as contemplated by the preceding sentence, the terms of the Refinancing Term Loan Commitments and Refinancing Term Loans shall be substantially the same as the terms of the existing Term Commitments and the existing Term Loans. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Refinancing Facility Agreement. Each Refinancing Facility Agreement may, without the consent of any Lender other than the applicable Refinancing Term Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to give effect to the provisions of this Section, including any amendments necessary to treat the applicable Refinancing Term Loan Commitments and Refinancing Term Loans as a new "Class" of term loans and/or commitments hereunder.

SECTION 2.23. Loan Modification Offers. (a) The Borrower may on one or more occasions, by written notice to the Administrative Agent, make one or more offers (each, a " Loan Modification Offer ") to all (and not fewer than all) the Lenders of one or more Classes (each Class subject to such an Loan Modification Offer, an " Affected Class ") to make one or more Permitted Amendments pursuant to procedures reasonably specified by the Administrative Agent and reasonably acceptable to the Borrower. Such notice shall set forth (i) the terms and conditions of the requested Loan Modification Offer and (ii) the date on which such Loan Modification Offer is requested to become effective (which shall not be less than ten Business Days nor more than 60 Business Days after the date of such notice, unless otherwise agreed to by the Administrative Agent). Permitted Amendments shall become effective only with respect to the Loans and Commitments of the Lenders of the Affected Class that accept the applicable Loan Modification Offer (such Lenders, the " Accepting Lenders ") and, in the case of any Accepting Lender, only with respect to such Lender's Loans and Commitments of such Affected Class as to which such Lender's acceptance has been made. With respect to all Permitted Amendments consummated by the Borrower pursuant to this Section, (i) such Permitted Amendments shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 2.11 and (ii) any Loan Modification Offer, unless contemplating a Maturity Date already in effect hereunder pursuant to a previously consummated Permitted Amendment, must be in a minimum amount of $25,000,000 (or such lesser amount as may be approved by the Administrative Agent in its reasonable discretion), provided that the Borrower may at its election specify as a condition (a " Minimum Extension Condition ") to consummating any such Permitted Amendment that a minimum amount (to be determined and specified in the relevant Loan Modification Offer in the Borrower's sole discretion and which may be waived by the Borrower) of Commitments or Loans of any or all Affected Classes be extended. If the aggregate principal amount of Commitments or Loans of any Affected Class in respect of which Lenders shall have accepted the relevant Loan Modification Offer shall exceed the maximum aggregate principal amount of Commitments or Loans of such Affected Class offered to be extended by the Borrower pursuant to such Loan Modification Offer, then the Commitments and Loans of such Lenders shall be extended ratably up to such maximum amount based on the relative principal amounts (but not to exceed actual

holdings of record) with respect to which such Lenders have accepted such Loan Modification Offer.

(b) A Permitted Amendment shall be effected pursuant to a Loan Modification Agreement executed and delivered by Holdings, the Borrower, each Accepting Lender and the Administrative Agent; provided that no Permitted Amendment shall become effective unless (i) no Default shall have occurred and be continuing on the date of effectiveness thereof, (ii) on the date of effectiveness thereof, the representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct (A) in the case of the representations and warranties qualified as to materiality, in all respects and (B) otherwise, in all material respects, in each case on and as of such date, except in the case of any such representation and warranty that specifically relates to an earlier date, in which case such representation and warranty shall be so true and correct on and as of such earlier date, (iii) Holdings and the Borrower shall have delivered, or agreed to deliver by a date following the effectiveness of such Permitted Amendment reasonably acceptable to the Administrative Agent, to the Administrative Agent such legal opinions, board resolutions, secretary's certificates, officer's certificates and other documents (including reaffirmation agreements, supplements and/or amendments to Mortgages or other Security Documents, in each case to the extent applicable) as shall reasonably be requested by the Administrative Agent in connection therewith and (iv) any applicable Minimum Extension Condition shall be satisfied (unless waived by the Borrower). The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Loan Modification Agreement. Each Loan Modification Agreement may, without the consent of any Lender other than the applicable Accepting Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to give effect to the provisions of this Section, including any amendments necessary to treat the applicable Loans and/or Commitments of the Accepting Lenders as a new Class of loans and/or commitments hereunder (and the Lenders hereby irrevocably authorize the Administrative Agent to enter into any such amendments); provided that (i) all Borrowings, all prepayments of Loans and all reductions of Commitments shall continue to be made on a ratable basis among all Lenders, based on the relative amounts of their Commitments (i.e. , both extended and non-extended), until the repayment of the Loans attributable to the non-extended Commitments (and the termination of the non-extended Commitments) on the relevant Maturity Date, (ii) the allocation of the participation exposure with respect to any then-existing or subsequently issued or made Letter of Credit or Swingline Loan as between any Revolving Commitments of such new "Class" and the remaining Commitments shall be made on a ratable basis in accordance with the relative amounts thereof until the Maturity Date relating to the non-extended Revolving Commitments has occurred (it being understood, however, that no reallocation of such exposure to extended Revolving Commitments shall occur on such Maturity Date if (1) any Default under clause (a), (b), (h) or (i) of Section 7.01 exists at the time of such reallocation or (2) such reallocation would cause the Revolving Exposure of any Lender with a Revolving Commitment to exceed its Revolving Commitment), (iii) the Revolving Availability Period and the Revolving Maturity Date, as such terms are used with reference to Letters of Credit, may not be extended without the prior written consent of each Issuing Bank and the Swingline Lender and (iv) at no time shall there be more than

three Classes of Revolving Commitments hereunder, unless otherwise agreed by the Administrative Agent. If the Aggregate Revolving Exposure exceeds the Aggregate Revolving Commitment as a result of the occurrence of the Revolving Maturity Date with respect to any Class of Revolving Commitments when an extended Class of Revolving Commitments remains outstanding, the Borrower shall make such payments and provide such cash collateral as may be required by Section 2.11(b) to eliminate such excess on such Revolving Maturity Date. The Administrative Agent and the Lenders hereby acknowledge that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement are not intended to apply to the transactions effected pursuant to this Section 2.23. This Section 2.23 shall supersede any provisions in Section 2.18 or Section 9.02 to the contrary.

SECTION 2.24. Loan Repurchases . (a) Subject to the terms and conditions set forth or referred to below, a Purchasing Borrower Party may from time to time, in its discretion (x) effect open market purchases of Term Loans on a non-pro rata basis and (y) conduct modified Dutch auctions to make Auction Purchase Offers, each such Auction Purchase Offer to be managed by an investment bank of recognized standing selected by the Borrower following consultation with the Administrative Agent (in such capacity, the " Auction Manager ") and to be conducted in accordance with the procedures, terms and conditions set forth in this Section and the Auction Procedures, in each case, so long as the following conditions are satisfied:

(i) no Default or Event of Default shall have occurred and be continuing at the time of purchase of any Term Loans or, in the case of clause (y) above, on the date of the delivery of each Auction Notice;

(ii) the assigning Lender and the Purchasing Borrower Party shall execute and deliver to the Administrative Agent an Affiliated Assignment and Assumption in lieu of an Assignment and Assumption;

(iii) for the avoidance of doubt, the Lenders shall not be permitted to assign Revolving Commitments or Revolving Loans to any Purchasing Borrower Party;

(iv) the maximum principal amount (calculated on the face amount thereof) of Term Loans that the Purchasing Borrower Party offers to purchase in any Auction Purchase Offer shall be no less than $10,000,000 (unless another amount is agreed to by the Administrative Agent in its reasonable discretion);

(v) any Term Loans assigned to any Purchasing Borrower Party shall be automatically and permanently cancelled upon the effectiveness of such assignment and will thereafter no longer be outstanding for any purpose hereunder, and such Term Loans may not be resold (it being understood and agreed that (A) any gains or losses by any Purchasing Borrower Party upon purchase or acquisition and cancellation of such Term Loans shall not be taken into account in the calculation of Excess Cash Flow, Consolidated Net Income and Consolidated EBITDA and (B) any assignment of Term Loans pursuant to

this Section shall not constitute a voluntary or mandatory prepayment of Term Loans for purposes of this Agreement);

(vi) if the Term Loans are rated by S&P and/or Moody's at the time of any Auction Purchase Offer, prior to commencing such Auction Purchase Offer, the Borrower shall have discussed such proposed Auction Purchase Offer with each (or both, as applicable) of S&P and Moody's and, based upon such discussions, shall reasonably believe that the proposed purchase of Term Loans through such Auction Purchase Offer shall not be deemed to be a "distressed exchange";

(vii) if the Term Loans are rated by S&P and/or Moody's at the time of any Auction Purchase Offer, at the time of each purchase of Term Loans pursuant to such Auction Purchase Offer, neither S&P nor Moody's shall have announced or communicated to the Borrower that the proposed purchase of Term Loans through such Auction Purchase Offer shall be deemed to be a "distressed exchange";

(viii) no more than one Auction Purchase Offer with respect to any Class may be ongoing at any one time and no more than four Auction Purchase Offers (regardless of Class) may be made in any one year;

(ix) any Purchasing Borrower Party shall not have at the time of such assignment (and shall represent and warrant at the time of such assignment that it does not have) any MNPI that either (A) has not been disclosed to the assigning Lender (other than any such Lender that does not wish to receive MNPI) on or prior to the date of any assignment to such Purchasing Borrower Party or (B) if not disclosed to such Lender, could reasonably be expected to have a material effect upon, or otherwise be material to, (1) such Lender's decision to make such assignment or (2) the market price of the Term Loans to be assigned to such Purchasing Borrower Party;

(x) at the time of each purchase of Term Loans through an Auction Purchase Offer, the Borrower shall have delivered to the Auction Manager an officer's certificate of a Financial Officer of the Borrower certifying as to compliance with preceding clauses (i), (v), (vi), (vii) and (ix);

(xi) no Purchasing Borrower Party may use the proceeds, direct or indirect, from Revolving Loans to purchase any Term Loans; and

(xii) the aggregate principal amount of Term Loans of any Class purchased by any Purchasing Borrower Party in open market purchases pursuant to this Section, when taken together with the aggregate principal amount of Term Loans of such Class purchased by or assigned to Purchasing Debt Affiliates (other than Debt Fund Affiliates) pursuant to Section 9.04(f), shall not in any event exceed 25% of the initial aggregate principal amount of Term Loans of such Class (plus , in the event of a subsequent increase in the principal amount of Term Loans of such Class pursuant to an Incremental Facility, 25% of the initial amount of

such increase on the date of consummation of such Incremental Facility) (it being understood that such 25% limitation will be calculated based on such initial principal amounts and the cumulative principal amounts so purchased, regardless of any cancellation of any Term Loans of such Class purchased (including pursuant to Auction Purchase Offers) or any repayment or prepayment of Term Loans of such Class).

(b) A Purchasing Borrower Party must terminate any Auction Purchase Offer if it fails to satisfy one or more of the conditions set forth above which are required to be met at the time which otherwise would have been the time of purchase of Term Loans pursuant to such Auction Purchase Offer. If a Purchasing Borrower Party commences any Auction Purchase Offer (and all relevant requirements set forth above which are required to be satisfied at the time of the commencement of such Auction Purchase Offer have in fact been satisfied), and if at such time of commencement the Purchasing Borrower Party reasonably believes that all required conditions set forth above which are required to be satisfied at the time of the consummation of such Auction Purchase Offer shall be satisfied, then the Purchasing Borrower Party shall have no liability to any Lender for any termination of such Auction Purchase Offer as a result of the failure to satisfy one or more of the conditions set forth above which are required to be met at the time which otherwise would have been the time of consummation of such Auction Purchase Offer, and any such failure shall not result in any Default or Event of Default hereunder. With respect to all purchases of Term Loans of any Class or Classes made by a Purchasing Borrower Party pursuant to this Section, (x) the Purchasing Borrower Party shall pay on the settlement date of each such purchase all accrued and unpaid interest (except to the extent otherwise set forth in the relevant offering documents), if any, on the purchased Term Loans of the applicable Class or Classes up to the settlement date of such purchase and (y) such purchases (and the payments made by the Purchasing Borrower Party and the cancellation of the purchased Loans) shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 2.11 or any other provision hereof.

(c) The Administrative Agent and the Lenders hereby consent to the Auction Purchase Offers and the other transactions effected pursuant to and in accordance with the terms of this Section (provided that no Lender shall have an obligation to participate in any such Auction Purchase Offer). For the avoidance of doubt, it is understood and agreed that the provisions of Section 2.18 will not apply to the purchases of Term Loans pursuant to and in accordance with the provisions of this Section. The Auction Manager acting in its capacity as such hereunder shall be entitled to the benefits of the provisions of Article VIII and Article IX to the same extent as if each reference therein to the "Administrative Agent" were a reference to the Auction Manager, and the Administrative Agent shall cooperate with the Auction Manager as reasonably requested by the Auction Manager in order to enable it to perform its responsibilities and duties in connection with each Auction Purchase Offer.

ARTICLE III

Representations and Warranties

Each of Holdings and the Borrower represents and warrants to the Administrative Agent, each of the Issuing Banks and each of the Lenders that:

SECTION 3.01. Organization; Powers. Each of Holdings, the Borrower and each Subsidiary (a) is duly organized, validly existing and, to the extent that such concept is applicable in the relevant jurisdiction, in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority, and the legal right, to carry on its business as now conducted and as proposed to be conducted, to execute, deliver and perform its obligations under this Agreement and each other Loan Document and each other agreement or instrument contemplated thereby to which it is a party and to effect the Transactions and (c) except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and, to the extent that such concept is applicable in the relevant jurisdiction, is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Due Execution and Delivery; Enforceability. The Transactions to be entered into by each Loan Party have been duly authorized by all necessary corporate or other organizational action and, if required, action by the holders of such Loan Party's Equity Interests. This Agreement has been duly executed and delivered by each of Holdings and the Borrower and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of Holdings, the Borrower or such Loan Party, as applicable, enforceable against such Person in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except filings necessary to perfect Liens created under the Loan Documents, (b) will not violate any Requirement of Law applicable to Holdings, the Borrower or any Subsidiary, (c) will not violate or result (alone or with notice or lapse of time or both) in a default under any indenture or agreement governing Indebtedness, any material agreement or any other material instrument binding upon Holdings, the Borrower or any Subsidiary or their respective assets, or give rise to a right thereunder to require any payment, repurchase or redemption to be made by Holdings, the Borrower or any Subsidiary or give rise to a right of, or result in, termination, cancelation or acceleration of any obligation thereunder and (d) will not result in the creation or imposition of any Lien on any asset now owned or hereafter acquired by

Holdings, the Borrower or any Subsidiary, except Liens created under the Loan Documents and the Second Lien Security Documents.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Borrower has heretofore furnished to the Lenders (i) the consolidated balance sheet of Holdings as of December 31, 2012, and the related consolidated statements of operations and income, stockholders' equity and cash flows of Holdings for the fiscal year ended December 31, 2012, in each case audited by and accompanied by an opinion of Ernst & Young LLP, independent public accountants (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) and (ii) an unaudited consolidated balance sheet of Holdings as at the end of, and related statements of income and cash flows of Holdings for the fiscal quarter and the portion of the fiscal year ended June 30, 2013 (and comparable period for the prior fiscal year), certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of Holdings, the Borrower and the Subsidiaries on a consolidated basis as of such dates and for such periods in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of certain footnotes in the case of the statements referred to in clause (ii) above.

(b) The Borrower has heretofore furnished to the Administrative Agent a pro forma consolidated balance sheet of Holdings as at the end of June 30, 2013, prepared giving effect to the Transactions to be consummated on the Effective Date as if such Transactions had occurred on such date or at the beginning of such period, as the case may be. Such pro forma financial statements (i) have been prepared by the Borrower in good faith based on the same assumptions used to prepare the pro forma financial statements included in the Confidential Information Memorandum (which assumptions are believed by Holdings and the Borrower on the date hereof to be reasonable), (ii) are based on the best information available to Holdings and the Borrower as of the date of delivery thereof after due inquiry, (iii) accurately reflect all adjustments necessary to give effect to the Transactions and (iv) present fairly, in all material respects, the pro forma financial position of Holdings, the Borrower and the Subsidiaries as of such date, as if the Transactions had occurred on such date.

(c) To the knowledge of the Borrower and Holdings, except as disclosed in the financial statements referred to above or the notes thereto or in the Confidential Information Memorandum, after giving effect to the Transactions, none of Holdings, the Borrower or any Subsidiary has, as of the Effective Date, any material direct or contingent liabilities, unusual long-term commitments or unrealized losses.

(d) Since December 31, 2012, there has been no event or condition that has resulted, or could reasonably be expected to result, in a Material Adverse Effect.

SECTION 3.05. Properties. (a) Each of Holdings, the Borrower and each Subsidiary has good title to, or valid leasehold interests in, all its real and personal property material to its business (including Mortgaged Properties, if any), except for minor defects in title that could not reasonably be expected to materially interfere with its

ability to conduct its business as currently conducted or as proposed to be conducted or to utilize such properties for their intended purposes. All such property is free and clear of Liens, other than Liens expressly permitted by Section 6.02.

(b) Each of Holdings, the Borrower and each Subsidiary owns, or is licensed to use, all trademarks, tradenames, copyrights, patents, licenses, technology, software, domain names and other Intellectual Property material to its business as currently conducted and as proposed to be conducted, and the use thereof by Holdings, the Borrower and each Subsidiary does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No claim or litigation regarding any trademarks, tradenames, copyrights, patents, licenses, technology, software, domain names or other Intellectual Property owned or used by Holdings, the Borrower or any Subsidiary is pending or, to the knowledge of Holdings, the Borrower or any Subsidiary, threatened against Holdings, the Borrower or any Subsidiary that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation and Environmental Matters. (a) There are no actions, suits, investigations or proceedings at law or in equity or by or before any arbitrator or Governmental Authority pending against or, to the knowledge of Holdings, the Borrower or any Subsidiary, threatened in writing against or affecting Holdings, the Borrower or any Subsidiary (i) that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, (other than the Disclosed Matters set forth in Schedule 3.06 of the Disclosure Letter) or (ii) that involve any of the Loan Documents or the Transactions.

(b) Except for the Disclosed Matters set forth in Schedule 3.06 of the Disclosure Letter and except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, none of Holdings, the Borrower or any Subsidiary (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

SECTION 3.07. Compliance with Laws and Agreements; No Default. Each of Holdings, the Borrower and each Subsidiary is in compliance with (a) all Requirements of Law and (b) all indentures, agreements and other instruments binding upon it or its property, except, in the case of clause (b) of this Section, where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.08. Investment Company Status; Other Regulations. None of Holdings, the Borrower or any Subsidiary is an "investment company" as defined in, or subject to regulation under, the Investment Company Act. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board of

Governors) that limits its ability to incur Indebtedness or which may otherwise render all or any portion of the Loan Document Obligations unenforceable.

SECTION 3.09. Federal Reserve Regulations. None of Holdings, the Borrower or any Subsidiary is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors) or extending credit for the purpose of purchasing or carrying margin stock. No part of the proceeds of the Loans will be used, directly or indirectly, for any purpose that entails a violation (including on the part of any Lender) of any of the regulations of the Board of Governors, including Regulations U and X. Not more than 25% of the value of the assets of Holdings, the Borrower and the Subsidiaries subject to any restrictions on the sale, pledge or other disposition of assets under this Agreement, any other Loan Document or any other agreement to which any Lender or Affiliate of a Lender is party will at any time be represented by margin stock (within the meaning of Regulation U of the Board of Governors).

SECTION 3.10. Taxes. Each of Holdings, the Borrower and each Subsidiary (a) has timely filed or caused to be filed all Tax returns and reports required to have been filed by it, except to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Effect, and (b) has paid or caused to be paid all Taxes required to have been paid by it, except where the validity or amount thereof is being contested in good faith by appropriate proceedings; provided that (i) Holdings, the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves therefor in conformity with GAAP and (ii) the failure to pay such Taxes, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. ERISA. (a) The Borrower, each of its ERISA Affiliates, and each Subsidiary is in compliance with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder with respect to each Plan, except as could not reasonably be expected to result in a Material Adverse Effect. No ERISA Events have occurred or are reasonably expected to occur that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The present value of all benefit liabilities under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards Nos. 87 and 158, as applicable) did not, as of the last annual valuation date applicable thereto, exceed the fair market value of the assets of such Plan, and the present value of all benefit liabilities of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards Nos. 87 and 158, as applicable) did not, as of the last annual valuation dates applicable thereto, exceed the fair market value of the assets of all such underfunded Plans except in each such case where such underfunding could not reasonably be expected to have a Material Adverse Effect.

(b) Each Foreign Pension Plan is in compliance with all requirements of law applicable thereto and the respective requirements of the governing documents for such plan, except as could not reasonably be expected to result in a Material Adverse Effect. With respect to each Foreign Pension Plan, none of Holdings, the Borrower or

any Subsidiary or any of their respective directors, officers, employees or agents has engaged in a transaction which would subject Holdings, the Borrower or any Subsidiary, directly or indirectly, to a tax or civil penalty which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. With respect to each Foreign Pension Plan, reserves have been established in the financial statements in respect of any unfunded liabilities in accordance with applicable law or, where required, in accordance with ordinary accounting practices in the jurisdiction in which such Foreign Pension Plan is maintained. The aggregate unfunded liabilities with respect to such Foreign Pension Plans could not reasonably be expected to result in a Material Adverse Effect; the present value of the aggregate accumulated benefit liabilities of all such Foreign Pension Plans (based on those assumptions used to fund each such Foreign Pension Plan) did not, as of the last annual valuation date applicable thereto, exceed the fair market value of the assets of all such Foreign Pension Plans except in such case where the underfunding could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.12. Labor Matters. Except as in the aggregate as could not reasonably be expected to have a Material Adverse Effect, (i) there are no strikes, lockouts or slowdowns or any other material labor disputes against Holdings, the Borrower or any Subsidiary pending or, to the knowledge of Holdings, the Borrower or any Subsidiary, threatened, (ii) the hours worked by and payments made to employees of each of Holdings, the Borrower and each Subsidiary have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters, (iii) all payments due from Holdings, the Borrower or any Subsidiary, or for which any claim may be made against Holdings, the Borrower or any Subsidiary, on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Holdings, the Borrower or such Subsidiary and (iv) the consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which Holdings, the Borrower or any Subsidiary is bound.

SECTION 3.13. Disclosure. Neither the Confidential Information Memorandum nor any of the other reports, financial statements, certificates or other information furnished by or on behalf of Holdings, the Borrower or any Subsidiary to any Arranger, the Administrative Agent, any Issuing Bank or any Lender in connection with the negotiation of this Agreement or any other Loan Document, included herein or therein or furnished hereunder or thereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to forecasts and projected financial information, each of Holdings and the Borrower represents only that such information was prepared in good faith based upon assumptions believed by it to be reasonable at the time so furnished and, if such projected financial information was furnished prior to the Effective Date, as of the Effective Date (it being understood and agreed that any such projected financial information may vary from actual results and that such variations may be material).

SECTION 3.14. Subsidiaries. Schedule 3.14 to the Disclosure Letter sets forth the name of, and the ownership interest of Holdings, the Borrower and each Subsidiary in, each Subsidiary and each class of Equity Interest of each Subsidiary and identifies each Subsidiary that is a Subsidiary Loan Party or an Excluded Subsidiary, in each case as of the Effective Date. The Equity Interests in the Borrower and each Subsidiary have been duly authorized and validly issued and are fully paid and nonassessable, and such Equity Interests are owned by Holdings or the Borrower, directly or indirectly, free and clear of all Liens (other than Liens created under the Loan Documents and the Second Lien Security Documents). Except as set forth in Schedule 3.14 to the Disclosure Letter, as of the Effective Date, there is no existing option, warrant, call, right, commitment or other agreement to which Holdings, the Borrower or any Subsidiary is a party requiring, and there are no Equity Interests in any Subsidiary outstanding that upon exercise, conversion or exchange would require, the issuance by the Borrower or any Subsidiary of any additional Equity Interests or other securities exercisable for, convertible into, exchangeable for or evidencing the right to subscribed for or purchase any Equity Interests in the Borrower or any Subsidiary.

SECTION 3.15. Insurance. Schedule 3.15 to the Disclosure Letter sets forth a complete and correct description of all insurance maintained by or on behalf of Holdings, the Borrower or any Subsidiary as of the Effective Date. As of the Effective Date, such insurance is in full force and effect and all premiums in respect of such insurance have been paid. Holdings and the Borrower believe that the insurance maintained by or on behalf of Holdings, the Borrower and the Subsidiaries is in such amounts (with no greater risk retention) and against such risks as is (a) customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) adequate.

SECTION 3.16. Solvency. Immediately after the consummation of the Transactions to occur on the Effective Date, and giving effect to the rights of subrogation and contribution under the Collateral Agreement or otherwise, (a) the fair value of the assets of Holdings and the Subsidiaries, taken as a whole, will exceed their debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the assets of Holdings and the Subsidiaries, taken as a whole, will be greater than the amount that will be required to pay the probable liability on their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) Holdings and the Subsidiaries, taken as a whole, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured and (d) Holdings and the Subsidiaries, taken as a whole, will not have unreasonably small capital with which to conduct the business in which they are engaged, as such business is conducted at the time of and is proposed to be conducted following the Effective Date. For purposes of this Section, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual or matured liability.

SECTION 3.17. Collateral Matters. (a) The Collateral Agreement, upon execution and delivery thereof by the parties thereto, will create in favor of the Administrative Agent, for the benefit of the Secured Parties, a valid and enforceable

security interest in the Collateral (as defined therein) and (i) when the Collateral (as defined therein) constituting certificated securities (as defined in the Uniform Commercial Code) is delivered to the Administrative Agent, together with instruments of transfer duly endorsed in blank, the security interest created under the Collateral Agreement will constitute a fully perfected security interest in all right, title and interest of the pledgors thereunder in such Collateral, prior and superior in right to any other Person (other than Permitted Encumbrances that by operation of law or contract would have priority over the Obligations), and (ii) when financing statements in appropriate form are filed in the applicable filing offices, the security interest created under the Collateral Agreement will constitute a fully perfected security interest in all right, title and interest of the Loan Parties in the remaining Collateral (as defined therein) to the extent perfection can be obtained by filing Uniform Commercial Code financing statements, prior and superior to the rights of any other Person (other than Liens permitted under Section 6.02 that by operation of law or contract would have priority over the Obligations).

(b) Each Mortgage, upon execution and delivery thereof by the parties thereto, will create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in all the applicable mortgagor's right, title and interest in and to the Mortgaged Properties subject thereto and the proceeds thereof, and when the Mortgages have been filed in the jurisdictions specified therein, the Mortgages will constitute a fully perfected security interest in all right, title and interest of the mortgagors in the Mortgaged Properties and the proceeds thereof, prior and superior in right to any other Person, other than Permitted Encumbrances that by operation of law or contract would have priority over the Obligations.

(c) Upon the recordation of the Collateral Agreement (or a short-form security agreement in form and substance reasonably satisfactory to the Borrower and the Administrative Agent) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, and the filing of the financing statements referred to in paragraph (a) of this Section, the security interest created under the Collateral Agreement will constitute a fully perfected security interest in all right, title and interest of the Loan Parties in the Intellectual Property (as defined in the Collateral Agreement) in which a security interest may be perfected by filing in the United States of America, in each case prior and superior in right to any other Person, other than Permitted Encumbrances that by operation of law or contract would have priority over the Obligations (it being understood and agreed that subsequent recordings in the United States Patent and Trademark Office or the United States Copyright Office may be necessary to perfect a security interest in such Intellectual Property acquired by the Loan Parties after the Effective Date).

(d) Each Security Document, upon execution and delivery thereof by the parties thereto and the making of the filings and taking of the other actions provided for therein, will be effective under applicable law to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a valid and enforceable security interest in the Collateral subject thereto, and will constitute a fully perfected security interest in all right, title and interest of the Loan Parties in the Collateral subject thereto, prior and

superior to the rights of any other Person, except for rights secured by Liens permitted under Section 6.02 that by operation of law or contract would have priority over the Obligations.

SECTION 3.18. Anti-Terrorism Laws; Anti-Corruption Laws. Holdings and the Borrower have implemented and maintain in effect policies and procedures designed to ensure compliance by Holdings, the Borrower, the Subsidiaries and their directors, officers, employees and agents with applicable Anti-Corruption Laws and Sanctions, and the Borrower and its Subsidiaries are in compliance with applicable Anti-Corruption Laws and Sanctions in all material respects. None of (a) the Borrower or any Subsidiary or (b) to the knowledge of the Borrower, (i) any director, officer or employee of the Borrower or any Subsidiary or (ii) any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person or in violation of any Sanctions. The Transactions will not violate any applicable Anti-Corruption Laws or Sanctions.

SECTION 3.19. Classification as Senior Indebtedness. The Loan Document Obligations constitute "senior indebtedness" and "designated senior indebtedness" under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding and all such other designations have been given as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include facsimile transmission or other electronic imaging of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent, the Issuing Banks and the Lenders) of (i) Cooley LLP, special counsel for the Loan Parties, and (ii) Trenam, Kemker, Scharf, Barkin, Frye, O'Neill & Mullis, Professional Association, special Florida counsel for the Loan Parties, in each case dated as of the Effective Date and covering such matters relating to the Loan Parties, the Loan Documents and the Transactions as the Administrative Agent shall reasonably request. Each

of Holdings and the Borrower hereby requests such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing in the jurisdiction of incorporation or formation of each Loan Party, the authorization of the Transactions and any other legal matters relating to the Loan Parties, the Loan Documents or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by a Financial Officer or the President or a Vice President of the Borrower, confirming compliance as of the Effective Date with the conditions set forth in paragraph (i) of this Section and paragraphs (a) and (b) of Section 4.02.

(e) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses (including fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party hereunder, under any other Loan Document or under any other agreement entered into by any of the Arrangers, the Administrative Agent and the Lenders, on the one hand, and any of the Loan Parties, on the other hand.

(f) The Collateral and Guarantee Requirement shall have been satisfied, and the Administrative Agent, on behalf of the Secured Parties, shall have a security interest in the Collateral of the type and priority described in each Security Document. The Administrative Agent shall have received a completed Perfection Certificate dated the Effective Date and signed by a Financial Officer or legal officer of each of Holdings and the Borrower, together with all attachments contemplated thereby, including the results of a search of the Uniform Commercial Code (or equivalent) filings made with respect to the Loan Parties in the jurisdictions contemplated by the Perfection Certificate and copies of the financing statements (or similar documents) disclosed by such search and evidence reasonably satisfactory to the Administrative Agent that the Liens indicated by such financing statements (or similar documents) are permitted by Section 6.02 or have been or will contemporaneously with the initial funding of Loans on the Effective Date be released or terminated.

(g) The Administrative Agent shall have received evidence that the insurance required by Section 5.07 and the Security Documents is in effect.

(h) All consents and approvals required to be obtained from any Governmental Authority or other Person in connection with the Transactions shall have been obtained, and all applicable waiting periods and appeal periods (including any extensions thereof) shall have expired and there shall be no actual

or threatened litigation or governmental, administrative or judicial action that could reasonably be expected to restrain, prevent or impose burdensome conditions on the Transactions.

(i) The Borrower shall have received, or substantially contemporaneously with the initial funding of the Loans on the Effective Date shall receive, cash proceeds of not less than $190,000,000 from borrowings of the term loans under the Second Lien Credit Agreement.

(j) Prior to or, pursuant to arrangements satisfactory to the Administrative Agent, substantially concurrently with the initial funding of the Loans on the Effective Date, (i) all commitments under the Existing Credit Agreements shall have been terminated, (ii) all loans, interest, fees, expense reimbursements and other amounts accrued or owing thereunder shall have been repaid in full with the proceeds of the Term Loans and the funds referred to in paragraph (i) above, and (iii) all guarantees and Liens granted in respect thereof shall have been released. The Administrative Agent shall have received payoff and release letters with respect to the Existing Credit Agreements and obligations and Liens relating thereto, in form and substance reasonably satisfactory to the Administrative Agent, and the conditions to effectiveness of such letters shall have been satisfied. Immediately after giving effect to the Transactions on the Effective Date, none of Holdings, the Borrower or any Subsidiary shall have outstanding any shares of preferred stock or Disqualified Equity Interests or any Indebtedness, other than (i) Indebtedness incurred under the Loan Documents, (ii) Indebtedness of the Borrower under the Second Lien Credit Agreement and (iii) other ordinary course Indebtedness permitted by Section 6.01(a).

(k) The First Lien/Second Lien Intercreditor Agreement shall have been executed and delivered by the parties thereto and shall be in full force and effect.

(l) The Administrative Agent shall have received a certificate from the chief financial officer of Holdings, substantially in the form of Exhibit J, certifying as to the solvency of Holdings, the Borrower and the Subsidiaries on a consolidated basis after giving effect to the Transactions consummated on the Effective Date.

(m) The credit facilities under this Agreement shall have been rated by each of S&P and Moody's, and the Borrower shall have received a public corporate credit rating from S&P and a public corporate family rating from Moody's, in each case after giving effect to the Transactions and the transactions contemplated by the Second Lien Credit Agreement.

(n) The Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

(o) The Borrower shall have delivered to the Administrative Agent the notice required by Section 2.03.

Notwithstanding the foregoing, any Foreign Pledge Agreement or Control Agreement that is required to be delivered in order to satisfy the requirements of the Collateral and Guarantee Requirement shall not be a condition precedent to the obligations of the Lenders and the Issuing Banks hereunder on the Effective Date, but shall be required to be accomplished as provided in Section 5.15.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 5:00 p.m., New York City time, on August 20, 2013 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Banks to issue, amend, renew or extend any Letter of Credit, is subject to receipt of the request therefor in accordance herewith and to the satisfaction of the following conditions:

(a) The representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects (or, in the case of representations and warranties qualified as to materiality, in all respects) on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, except in the case of any such representation and warranty that expressly relates to a prior date, in which case such representation and warranty shall be true and correct in all material respects (or in all respects, as applicable) as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, (i) no Default shall have occurred and be continuing and (ii) the Borrower shall have been in compliance, on an actual and not a Pro Forma basis, with the Financial Covenant as of the last day the most recently ended fiscal quarter for which financial statements either have been or were required to have been delivered pursuant to Section 5.01(a) or (b), and not giving effect to any transaction, including any Revolving Loan or Letter of Credit, thereafter, even if the Financial Covenant was not required to be tested on the last day of such fiscal quarter, and the Administrative Agent shall have received the Compliance Certificate demonstrating such compliance required to be delivered pursuant to Section 5.01(c).

Each Borrowing (provided that a conversion or a continuation of a Borrowing shall not constitute a “Borrowing” for purposes of this Section) and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation

and warranty by Holdings and the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V

Affirmative Covenants

Until the Commitments shall have expired or been terminated and the principal of and interest on each Loan and all fees, expenses and other amounts (other than contingent amounts not yet due) payable under this Agreement or any other Loan Document shall have been paid in full and all Letters of Credit shall have expired or been terminated and all LC Disbursements shall have been reimbursed, each of Holdings and the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. Holdings and the Borrower will furnish to the Administrative Agent, on behalf of each Lender, the following:

(a) within 120 days after the end of each fiscal year of Holdings (or, so long as Holdings shall be subject to periodic reporting obligations under the Exchange Act, by the date that the Annual Report on Form 10-K of Holdings for such fiscal year would be required to be filed under the rules and regulations of the SEC, giving effect to any automatic extension available thereunder for the filing of such form), its audited consolidated balance sheet and audited consolidated statements of income and cash flows as of the end of and for such fiscal year, and related notes thereto, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent registered public accounting firm of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such financial statements present fairly in all material respects the financial condition, results of operations and cash flow of Holdings, the Borrower and the Subsidiaries on a consolidated basis as of the end of and for such fiscal year in accordance with GAAP consistently applied, and accompanied by a narrative report containing management's discussion and analysis of the financial position and financial performance for such fiscal year in reasonable form and detail;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of Holdings (or, so long as Holdings shall be subject to periodic reporting obligations under the Exchange Act, by the date that the Quarterly Report on Form 10-Q of Holdings for such fiscal quarter would be required to be filed under the rules and regulations of the SEC, giving effect to any automatic extension available thereunder for the filing of such form), its unaudited consolidated balance sheet and unaudited consolidated statements of income and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the

corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition, results of operations and cash flows of Holdings, the Borrower and the Subsidiaries on a consolidated basis as of the end of and for such fiscal quarter and such portion of the fiscal year in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of certain footnotes, and accompanied by a narrative report containing management's discussion and analysis of the financial position and financial performance for such fiscal quarter in reasonable form and detail;

(c) not later than the fifth Business Day following the date of delivery of financial statements under clause (a) or (b) above, a completed Compliance Certificate, substantially in the form attached hereto as Exhibit E , of a Financial Officer of Holdings (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations (A) demonstrating compliance with the financial covenant contained in Section 6.12(a) as of the last day of the most recent fiscal quarter included in such financial statements (regardless of whether then applicable hereunder) and (B) in the case of financial statements ending as of December 31 of any fiscal year, beginning with the financial statements for the fiscal year of Holdings ending December 31, 2014, of Excess Cash Flow, and, (C) in the case of any fiscal year when an ECF Shortfall Amount exists, GAAP Working Capital as of the ECF Sweep Repayment Date for such fiscal year (calculated prior to giving effect to any prepayment of Term Loans on such date), (iii) stating whether any change in GAAP or in the application thereof has occurred since the later of the date of the Borrower's audited financial statements referred to in Section 3.04 and the date of the prior certificate delivered pursuant to this clause (c) indicating such a change and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate, (iv) identifying as of the date of such Compliance Certificate each Subsidiary that (A) is an Excluded Subsidiary as of such date but has not been identified as an Excluded Subsidiary in Schedule 3.14 or in any prior Compliance Certificate or (B) has previously been identified as an Excluded Subsidiary but has ceased to be an Excluded Subsidiary and (v) in the case of the Compliance Certificate relating to annual financial statements delivered pursuant to clause (a) above, setting forth the amounts of the Available ECF Amount and any Qualifying Equity Proceeds utilized for Specified Uses during the most recent fiscal quarter included in such financial statements, specifying each such use and the amount thereof;

(d) not more than 120 days after the commencement of each fiscal year of Holdings, a detailed consolidated budget for such fiscal year (including a projected consolidated balance sheet and consolidated statements of projected income and cash flows as of the end of and for such fiscal year and setting forth the assumptions used for purposes of preparing such budget) and, promptly when available, any significant revisions of such budget;

(e) promptly after the request by any Lender, all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act; and

(f) promptly following any request therefor, such other information regarding the operations, business affairs, assets, liabilities (including contingent liabilities) and financial condition of Holdings, the Borrower or any Subsidiary, or compliance with the terms of this Agreement or any other Loan Document, or with the USA Patriot Act, as the Administrative Agent, any Issuing Bank or any Lender may reasonably request.

Information required to be furnished pursuant to clause (a) and (b) of this Section shall be deemed to have been furnished if such information, or one or more annual or quarterly reports containing such information, shall have been posted by the Administrative Agent on a Platform to which the Lenders have been granted access or shall be available on the website of the SEC at http://www.sec.gov. Information required to be furnished pursuant to this Section may also be furnished by electronic communications pursuant to procedures approved by the Administrative Agent.

SECTION 5.02. Notices of Material Events. Within five Business Days after obtaining knowledge thereof, Holdings and the Borrower will furnish to the Administrative Agent written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against Holdings, the Borrower or any Subsidiary or, to the knowledge of a Financial Officer or another executive officer of Holdings or the Borrower, affecting Holdings, the Borrower or any Affiliate thereof, or any adverse development in any such pending action, suit or proceeding not previously disclosed in writing by Holdings or the Borrower to the Administrative Agent, that in each case could reasonably be expected to result in a Material Adverse Effect or that in any manner questions the validity of this Agreement or any other Loan Document;

(c) the occurrence of any ERISA Event or any fact or circumstance that gives rise to a reasonable expectation that any ERISA Event will occur that, in either case, alone or together with any other ERISA Events that have occurred or are reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect;

(d) any material change in accounting policies or financial reporting practices by Holdings or any Subsidiary (it being understood that such notice shall be deemed provided to the extent described in any financial statement delivered to the Administrative Agent pursuant to the terms of this Agreement); and

(e) any other development (including notice of any Environmental

Liability) that has resulted, or could reasonably be expected to result, in a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a written statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Information Regarding Collateral. (a) Holdings and the Borrower will furnish to the Administrative Agent prompt written notice of any change (i) in any Loan Party's legal name, as set forth in such Loan Party's organizational documents, (ii) in the jurisdiction of incorporation or organization of any Loan Party, (iii) in the form of organization of any Loan Party or (iv) in any Loan Party's organizational identification number, if any, or, with respect to a Loan Party organized under the laws of a jurisdiction that requires such information to be set forth on the face of a Uniform Commercial Code financing statement, the Federal Taxpayer Identification Number of such Loan Party. Holdings and the Borrower agree not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral.

(b) At the time of delivery of financial statements pursuant to Section 5.01(a) or (b), Holdings and the Borrower shall deliver to the Administrative Agent a completed Supplemental Perfection Certificate, signed by a Financial Officer of each of Holdings and the Borrower, (i) setting forth the information required pursuant to the Supplemental Perfection Certificate and indicating, in a manner reasonably satisfactory to the Administrative Agent, any changes in such information from the most recent Supplemental Perfection Certificate delivered pursuant to this Section (or, prior to the first delivery of a Supplemental Perfection Certificate, from the Perfection Certificate delivered on the Effective Date) or (ii) certifying that there has been no change in such information from the most recent Supplemental Perfection Certificate delivered pursuant to this Section (or, prior to the first delivery of a Supplemental Perfection Certificate, from the Perfection Certificate delivered on the Effective Date).

(c) Holdings and the Borrower will cause all cash owned by Holdings, the Borrower and the other Subsidiaries at any time, other than (i) cash used in the operation of Foreign Subsidiaries and (ii) cash held by Holdings or any Subsidiary in trust for any director, officer or employee of Holdings or any Subsidiary or any employee benefit plan maintained by Holdings or any Subsidiary, to be held in deposit accounts maintained in the name of one or more Loan Parties.

(d) Holdings and the Borrower will, in each case as promptly as practicable, notify the Administrative Agent of the existence of any deposit account or securities account maintained by a Loan Party in respect of which a Control Agreement is required to be in effect pursuant to clause (f) of the definition of the term "Collateral and Guarantee Requirement" but is not yet in effect.

SECTION 5.04. Existence; Conduct of Business. Each of Holdings and the Borrower will, and will cause each Subsidiary to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business; provided that the foregoing shall not prohibit any transaction permitted under Section 6.03 or 6.05, including any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.05. Payment of Obligations. Each of Holdings and the Borrower will, and will cause each Subsidiary to, pay its material obligations (other than Indebtedness and any obligations in respect of any Hedging Agreements), including Tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) Holdings, the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.06. Maintenance of Properties. Each of Holdings and the Borrower will, and will cause each Subsidiary to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

SECTION 5.07. Insurance. Each of Holdings and the Borrower will, and will cause each Subsidiary to, maintain, with financially sound and reputable insurance companies, (a) insurance in such amounts (with no greater risk retention) and against such risks as is (i) customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (ii) considered adequate by Holdings and the Borrower and (b) all other insurance as may be required by applicable law or any other Loan Document. Each such policy of liability or casualty insurance maintained by or on behalf of Loan Parties will (a) in the case of each liability insurance policy (other than workers' compensation, director and officer liability or other policies in which such endorsements are not customary), name the Administrative Agent, on behalf of the Secured Parties, as an additional insured thereunder, (b) in the case of each casualty insurance policy, contain a lender's loss payable clause or endorsement that names the Administrative Agent, on behalf of the Secured Parties, as the lender's loss payee thereunder and (c) provide for at least 30 days' prior written notice (or 10 days' prior written notice in the event of cancellation for non-payment of premium, or, in any case, such shorter number of days as may be agreed to by the Administrative Agent) to the Administrative Agent of any cancellation of such policy. With respect to each Mortgaged Property that is located in an area determined by the Federal Emergency Management Agency to have special flood hazards, the applicable Loan Party has obtained, and will maintain, with financially sound and reputable insurance companies, such flood insurance as is required under applicable law, including Regulation H of the Board of Governors. The Borrower will furnish to the Lenders, upon request of the Administrative Agent, information in reasonable detail as to the insurance so maintained.

SECTION 5.08. Casualty and Condemnation. The Borrower (a) will furnish to the Administrative Agent, which will furnish to each Issuing Bank and each Lender, prompt written notice of any casualty or other damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of or any material interest in the Collateral under power of eminent domain or by condemnation or similar proceeding and (b) will ensure that the Net Proceeds of any such event (whether in the form of insurance proceeds, condemnation awards or otherwise) are collected and applied in accordance with the applicable provisions of this Agreement and the Security Documents.

SECTION 5.09. Books and Records; Inspection and Audit Rights; Lender Calls. (a) Each of Holdings and the Borrower will, and will cause each Subsidiary to, keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law are made of all dealings and transactions in relation to its business and activities. Each of Holdings and the Borrower will, and will cause each Subsidiary to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times during regular business hours and as often as reasonably requested; provided , however , that, excluding any such visits and inspections during the continuation of an Event of Default, (i) only the Administrative Agent, acting individually or on behalf of the Lenders, may exercise rights under this paragraph and (ii) the Administrative Agent shall not exercise the rights under this paragraph more often than two times during any calendar year.

(b) On a date to be mutually agreed by the Administrative Agent and the Borrower, but in any event not more than 30 days after the commencement of each fiscal quarter of Holdings, Financial Officers of Holdings and the Borrower shall participate in a conference call with the Lenders to discuss the financial condition and results of operations of Holdings, the Borrower and the Subsidiaries for such fiscal quarter;

SECTION 5.10. Compliance with Laws. Each of Holdings and the Borrower will, and will cause each Subsidiary to, comply with all Requirements of Law (including Environmental Laws) with respect to it or its assets, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their directors, officers, employees and agents with applicable Anti-Corruption Laws and Sanctions.

SECTION 5.11. Use of Proceeds and Letters of Credit. (a) The proceeds of the Term Loans, together with the proceeds from the term loans under the Second Lien Credit Agreement, shall be used on the Effective Date to pay the outstanding obligations of the Borrower and SOI Holdings, Inc. under the Existing Credit Agreement, to finance the Dividend and to pay Transaction Costs. The proceeds of the Revolving Loans and Swingline Loans drawn after the Effective Date, as well as Incremental Term Loans

(unless otherwise provided in the applicable Incremental Facility Amendment), will be used solely for working capital and other general corporate purposes of Holdings, the Borrower and the Subsidiaries. Letters of Credit will be issued only to support obligations of Holdings, the Borrower and the Subsidiaries incurred in the ordinary course of business.

(b) No Borrowing will be made or Letter of Credit issued, and no proceeds of any Borrowing will be used, (A) for the purpose of funding payments to any officer or employee of a Governmental Authority, Person controlled by a Governmental Authority, political party, official of a political party, candidate for political office or other Person acting in an official capacity, in each case in violation of applicable Anti-Corruption Laws, (B) for the purpose of financing the activities of any Sanctioned Person or (C) in any manner that would result in the violation of Sanctions by any party hereto.

SECTION 5.12. Additional Subsidiaries. If any additional Subsidiary is formed or acquired (or otherwise becomes a Designated Subsidiary) after the Effective Date, then the Borrower will, as promptly as practicable and, in any event, within 60 days (or such longer period as the Administrative Agent may, in its sole discretion, agree to in writing) after such Subsidiary is formed or acquired (or otherwise becomes a Designated Subsidiary), notify the Administrative Agent thereof and cause the Collateral and Guarantee Requirement, to the extent applicable, to be satisfied with respect to such Subsidiary (if it is a Designated Subsidiary) and with respect to any Equity Interest in or Indebtedness of such Subsidiary owned by or on behalf of any Loan Party.

SECTION 5.13. Senior Indebtedness . In the event that Holdings, the Borrower or any other Loan Party shall at any time issue or have outstanding any other Subordinated Indebtedness, Holdings and the Borrower shall take or cause such other Loan Party to take all such actions as shall be necessary to cause the Loan Document Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Lenders to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness. Without limiting the foregoing, the Loan Document Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

SECTION 5.14. Maintenance of Ratings . Holdings and the Borrower will use commercially reasonable efforts to maintain continuously in effect a corporate rating from S&P and a corporate family rating from Moody's, in each case in respect of the Borrower, and a rating of the credit facilities hereunder by each of S&P and Moody's.

SECTION 5.15. Further Assurances. (a) Each of Holdings and the Borrower will, and will cause each Subsidiary Loan Party to, execute any and all further

documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), that may be required under any applicable law, or that the Administrative Agent or the Required Lenders may reasonably request, to cause the Collateral and Guarantee Requirement to be and remain satisfied, all at the expense of the Loan Parties. Each of Holdings and the Borrower also agrees to provide to the Administrative Agent, from time to time upon request, evidence reasonably satisfactory to the Administrative Agent as to the perfection and priority of the Liens created or intended to be created by the Security Documents.

(b) As promptly as practicable, and in any event within 90 days, after the Effective Date, Holdings, the Borrower and each other Loan Party will undertake all actions listed on Schedule 5.15 (including delivery of all Foreign Pledge Agreements and Control Agreements that would have been required to be delivered on the Effective Date but for the penultimate sentence of Section 4.01), in each case except to the extent otherwise agreed by the Administrative Agent pursuant to its authority as set forth in the definition of the term "Collateral and Guarantee Requirement".

(c) If any assets with a value in excess of $5,000,000 are acquired by Holdings, the Borrower or any Subsidiary Loan Party after the Effective Date (other than assets constituting Collateral under the Collateral Agreement that become subject to the Lien created by the Collateral Agreement upon acquisition thereof and other than Excluded Assets), the Borrower will notify the Administrative Agent and the Lenders thereof, and, if requested by the Administrative Agent or the Required Lenders, the Borrower will cause such assets to be subjected to a Lien securing the Obligations and will take, and cause the Subsidiary Loan Parties to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (a) of this Section, all at the expense of the Loan Parties, subject in each case to any exceptions expressly set forth in this Agreement or the other Loan Documents.

ARTICLE VI

Negative Covenants

Until the Commitments shall have expired or been terminated and the principal of and interest on each Loan and all fees, expenses and other amounts (other than contingent amounts not yet due) payable under this Agreement or any other Loan Document have been paid in full and all Letters of Credit have expired or been terminated and all LC Disbursements shall have been reimbursed, each of Holdings and the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness; Certain Equity Securities. (a) Holdings and the Borrower will not, nor will they permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(i) Indebtedness created under the Loan Documents;

(ii) Indebtedness existing on the date hereof and set forth in Schedule 6.01 to the Disclosure Letter and any Refinancing Indebtedness in respect thereof;

(iii) Indebtedness of the Borrower under the Second Lien Credit Agreement (and Guarantees by the Loan Parties other than the Borrower of Indebtedness under the Second Lien Credit Agreement) in an aggregate principal amount not in excess of $190,000,000, and Refinancing Indebtedness in respect thereof;

(iv) Permitted First Priority Refinancing Indebtedness and any Refinancing Indebtedness in respect thereof;

(v) Indebtedness of any Subsidiary to Holdings, the Borrower or any other Subsidiary; provided that (A) any such Indebtedness owing by any Loan Party shall be unsecured and shall be subordinated in right of payment to the Loan Document Obligations on terms customary for intercompany subordinated Indebtedness, as reasonably determined by the Administrative Agent, (B) any such Indebtedness owing to any Loan Party shall be evidenced by the Intercompany Note, which shall have been pledged pursuant to the Collateral Agreement and (C) any such Indebtedness owing by any Subsidiary that is not a Loan Party to any Loan Party shall be incurred in compliance with Section 6.04;

(vi) Guarantees by the Borrower or Holdings of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of Holdings, the Borrower or any other Subsidiary; provided that (A) the Indebtedness so Guaranteed is permitted by this Section (other than clause (a)(ii) and (a)(viii)), (B) Guarantees by Holdings, the Borrower or any Subsidiary Loan Party of Indebtedness of any Subsidiary that is not a Loan Party shall be subject to Section 6.04 and (C) Guarantees permitted under this clause (vi) shall be subordinated to the Obligations of the applicable Subsidiary to the same extent and on the same terms as the Indebtedness so Guaranteed is subordinated to the Obligations;

(vii) (A) Indebtedness of the Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations, purchase money Indebtedness and any Indebtedness assumed by the Borrower or any Subsidiary in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof and (B) Refinancing Indebtedness in respect of Indebtedness incurred or assumed pursuant to clause (A) above; provided further that the aggregate principal amount of Indebtedness permitted by this clause (vii) shall not exceed $25,000,000 at any time outstanding;

(viii) (A) Indebtedness (other than Indebtedness under credit facilities or any capital market Indebtedness) of any Person that becomes a Subsidiary (or of any Person not previously a Subsidiary that is merged or consolidated with or into a Subsidiary in a transaction permitted hereunder) after the date hereof, or Indebtedness of any Person that is assumed by any Subsidiary in connection with

an acquisition of assets by such Subsidiary in a Permitted Acquisition; provided that such Indebtedness exists at the time such Person becomes a Subsidiary (or is so merged or consolidated) or such assets are acquired and is not created in contemplation of or in connection with such Person becoming a Subsidiary (or such merger or consolidation) or such assets being acquired, and (B) Refinancing Indebtedness in respect of Indebtedness assumed pursuant to clause (A) above; provided further that the aggregate principal amount of Indebtedness permitted by this clause (viii) shall not exceed $20,000,000 at any time outstanding;

(ix) Permitted Unsecured Indebtedness in an aggregate principal amount not to exceed (A) $25,000,000 plus (B) additional amounts so long as, at the time of incurrence of such Permitted Unsecured Indebtedness in reliance on this subclause (ix)(B), the Total Leverage Ratio, calculated on a Pro Forma Basis as of the date of incurrence thereof, is not in excess of 5.25 to 1.00; provided that (x) immediately prior to and immediately after giving effect to the incurrence of any Permitted Unsecured Indebtedness under this clause (ix), no Default or Event of Default shall have occurred and be continuing and (y) the Borrower will, on the date of incurrence of such Indebtedness in reliance on clause (B) above, deliver to the Administrative Agent a certificate of a Financial Officer of the Borrower, dated such date, confirming the satisfaction of the conditions set forth above and attaching a reasonably detailed calculation of the Total Leverage Ratio on a Pro Forma Basis as of such date, which shall be reasonably satisfactory to the Administrative Agent, identifying the Permitted Unsecured Indebtedness being incurred and specifying that it is being incurred pursuant to this Section 6.01(a)(ix);

(x) Indebtedness incurred in the ordinary course of business and owed in respect of any overdrafts and related liabilities arising from treasury, depositary and cash management services or in connection with any automated clearinghouse transfers of funds;

(xi) Indebtedness in respect of letters of credit, bank guarantees and similar instruments issued for the account of Holdings or any Subsidiary in the ordinary course of business supporting obligations under (A) workers' compensation, health, disability or other employee benefits, casualty or liability insurance, unemployment insurance and other social security laws and local state and federal payroll taxes, (B) obligations in connection with self-insurance arrangements, and (C) bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and obligations of a like nature;

(xii) Indebtedness consisting of client advances or deposits received in the ordinary course of business;

(xiii) Alternative Incremental Facility Indebtedness and Refinancing Indebtedness in respect thereof , provided that (A) no Default or Event of Default shall have occurred and be continuing on the date of incurrence thereof, both immediately prior to and immediately after giving effect to such incurrence, (B)

unless such Indebtedness is incurred solely in reliance on utilization of the Base Incremental Amount, after giving effect to such Alternative Incremental Facility Indebtedness or Refinancing Indebtedness in respect thereof, as the case may be, the First Lien Leverage Ratio computed on a Pro Forma Basis as of the date of such incurrence shall not be greater than 3.75 to 1.0; provided that, for purposes of such pro forma calculation, all Alternative Incremental Facility Indebtedness or Refinancing Indebtedness in respect thereof then outstanding shall be deemed to constitute "Consolidated First Lien Debt", (C) the sum of the cumulative aggregate original amount of all the Incremental Commitments established under Section 2.21 and aggregate original amount of all Alternative Incremental Facility Indebtedness incurred under this Section 6.01(a)(xiii) shall not, on the date of issuance of any such Alternative Incremental Facility Indebtedness, exceed the Maximum Incremental Amount in effect on such date, and (D) the Borrower will, on the date of incurrence of any Alternative Incremental Facility Indebtedness under this Section 6.01(a)(xiii), deliver to the Administrative Agent a certificate of a Financial Officer of the Borrower, dated such date, confirming the satisfaction of the conditions set forth above, stating that such incurrence relies solely on utilization of the available Base Incremental Amount or, if that is not the case, attaching a reasonably detailed calculation of the Pro Forma First Lien Leverage Ratio as of such date, which shall be reasonably satisfactory to the Administrative Agent, identifying the Alternative Incremental Facility Indebtedness being incurred and specifying that it is being incurred pursuant to this Section 6.01(a)(xiii);

(xiv) Permitted Additional Second Priority Indebtedness and Refinancing Indebtedness in respect thereof, provided that (A) no Default or Event of Default shall have occurred and be continuing on the date of incurrence thereof, both immediately prior to and immediately after giving effect to such incurrence, (B) unless such Indebtedness is incurred solely in reliance on utilization of the Base Additional Second Priority Debt Amount, after giving effect to such Permitted Additional Second Priority Indebtedness or Refinancing Indebtedness in respect thereof, as the case may be, the Total Leverage Ratio computed on a Pro Forma Basis as of the date of such incurrence shall not be greater than 5.0 to 1.0; and (C) the Borrower will, on the date of incurrence of any Permitted Additional Second Priority Indebtedness under this Section 6.01(a)(xiv), deliver to the Administrative Agent a certificate of a Financial Officer of the Borrower, dated such date, confirming the satisfaction of the conditions set forth above and attaching a reasonably detailed calculation of the Total Leverage Ratio on a Pro Forma Basis as of such date, which shall be reasonably satisfactory to the Administrative Agent, identifying the Permitted Additional Second Priority Indebtedness being incurred and specifying that it is being incurred pursuant to this Section 6.01(a)(xiv);

(xv) Indebtedness of Holdings, the Borrower or any Subsidiary in the form of purchase price adjustments (including in respect of working capital), earnouts, deferred compensation, indemnification or other arrangements representing acquisition consideration or deferred payments of a similar nature incurred in

connection with any Permitted Acquisition or other Investments permitted under Section 6.04 or Dispositions permitted under Section 6.05;

(xvi) Indebtedness of Foreign Subsidiaries in an aggregate principal amount at any time outstanding not in excess of $15,000,000;

(xvii) Indebtedness incurred in the ordinary course of business by (A) Archimedes in respect of letters of credit issued to support its workers compensation program and (B) Holdings in respect of its Guarantee of foreign currency exchange obligations of TriNet Canada;

(xviii) Indebtedness relating to premium financing arrangements for property and casualty insurance plans and health and welfare benefit plans (including health and workers compensation insurance, employment practices liability insurance and directors and officers insurance), if incurred in the ordinary course of business;

(xix) Indebtedness relating to tenant improvement loans incurred in the ordinary course of business;

(xx) Indebtedness with respect to any letter of credit naming a Loan Party or a Subsidiary as the account party and not issued under this Agreement, in an aggregate amount in for all such Indebtedness not to exceed $5,000,000 at any time outstanding;

(xxi) Business Credit Card Indebtedness, including in respect of Secured Cash Management Obligations, incurred in the ordinary course of business not in excess of $10,000,000 at any time outstanding; and

(xxii) Other unsecured and Subordinated Indebtedness not otherwise described above in an aggregate amount at any time outstanding not in excess of $5,000,000.

(b) The Borrower will not, nor will Holdings or the Borrower permit any Subsidiary to, issue any preferred Equity Interests except, in the case of any Domestic Subsidiary, preferred Equity Interests issued to and held by Holdings, the Borrower or any Subsidiary Loan Party in respect of which the Collateral and Guarantee Requirement shall be satisfied within the times required thereby or in the case of any Foreign Subsidiary, to the extent required by any Requirement of Law. Neither Holdings nor any Subsidiary will issue or permit to exist any Disqualified Equity Interests except for Disqualified Equity Interests existing on the Effective Date and set forth on Schedule 3.14 to the Disclosure Letter.

SECTION 6.02. Liens. (a) Holdings and the Borrower will not, nor will they permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(i) Liens created under the Loan Documents;

(ii) Permitted Encumbrances;

(iii) Liens created under the Second Lien Security Documents;

(iv) any Lien on any asset of Holdings, the Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.02 to the Disclosure Letter; provided that (A) such Lien shall not apply to any other asset of Holdings, the Borrower or any Subsidiary and (B) such Lien shall secure only those obligations that it secures on the date hereof and extensions, renewals, replacements and refinancings thereof so long as the principal amount of such extensions, renewals, replacements and refinancings does not exceed the principal amount of the obligations being extended, renewed, replaced or refinanced or, in the case of any such obligations constituting Indebtedness, that are permitted under Section 6.01(a)(ii) as Refinancing Indebtedness in respect thereof;

(v) any Lien existing on any asset prior to the acquisition thereof by Holdings, the Borrower or any Subsidiary or existing on any asset of any Person that becomes a Subsidiary (or of any Person not previously a Subsidiary that is merged or consolidated with or into a Subsidiary in a transaction permitted hereunder) after the date hereof prior to the time such Person becomes a Subsidiary (or is so merged or consolidated); provided that (A) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary (or such merger or consolidation), (B) such Lien shall not apply to any other asset of Holdings, the Borrower or any Subsidiary (other than, in the case of any such merger or consolidation, the assets of any Subsidiary without significant assets that was formed solely for the purpose of such acquisition) and (C) such Lien shall secure only those obligations that it secures on the date of such acquisition or the date such Person becomes a Subsidiary (or is so merged or consolidated) and extensions, renewals, replacements and refinancings thereof so long as the principal amount of such extensions, renewals and replacements does not exceed the principal amount of the obligations being extended, renewed or replaced or, in the case of any such obligations constituting Indebtedness, that are permitted under Section 6.01(a)(viii) as Refinancing Indebtedness in respect thereof;

(vi) Liens on fixed or capital assets acquired, constructed or improved (including any such assets made the subject of a Capital Lease Obligation incurred) by the Borrower or any Subsidiary; provided that (A) such Liens secure Indebtedness incurred to finance such acquisition, construction or improvement and permitted by clause (vii)(A) of Section 6.01(a) or any Refinancing Indebtedness in respect thereof permitted by clause (vii)(B) of Section 6.01(a), and (B) such Liens shall not apply to any other property or assets of the Borrower or any Subsidiary, other than the proceeds of such fixed or capital assets;

(vii) in connection with the sale or transfer of any Equity Interests or other assets in a transaction permitted under Section 6.05, customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof;

(viii) in the case of (A) any Subsidiary that is not a wholly-owned Subsidiary or (B) the Equity Interests in any Person that is not a Subsidiary, any encumbrance or restriction, including any put and call arrangements, related to Equity Interests in such Subsidiary or such other Person set forth in the Organizational Documents of such Subsidiary or such other Person or any related joint venture, shareholders' or similar agreement;

(ix) Liens solely on any cash earnest money deposits, escrow arrangements or similar arrangements made by Holdings, the Borrower or any Subsidiary in connection with any letter of intent or purchase agreement for a Permitted Acquisition or other transaction permitted hereunder;

(x) Liens granted by a Subsidiary that is not a Loan Party in respect of Indebtedness permitted to be incurred by such Subsidiary under Section 6.01;

(xi) Liens securing judgments for the payment of money not constituting an Event of Default under Section 7.01;

(xii) Liens on the Collateral securing (A) Permitted First Priority Refinancing Indebtedness and Alternative Incremental Facility Indebtedness permitted under Section 6.01(a)(iv) and (a)(xiii), and, if secured by the Collateral, Refinancing Indebtedness in respect thereof, provided that the Senior Representative for any such Indebtedness has entered into the Pari Passu Intercreditor Agreement and the First Lien/Second Lien Intercreditor Agreement and (B) Permitted Additional Second Priority Indebtedness permitted under Section 6.01 (a)(xiv) and Refinancing Indebtedness thereof, provided that the Senior Representative for any such Indebtedness has entered into the First Lien/Second Lien Intercreditor Agreement;

(xiii) Liens on cash collateral granted by Holdings, the Borrower or any Subsidiary to support such Person's obligations under the AIG Contract;

(xiv) Liens of Continental Casualty Company on that certain deductible Liability Insurance Policy No. 5014190 (and proceeds thereof) issued to the Borrower (as successor by merger to Gevity HR, Inc.) by National Union Fire Insurance Company of Vermont (or any other replacement deductible liability protection policy) to secure the obligations of the Borrower thereunder;

(xv) Liens deemed to exist in connection with Investments in repurchase agreements constituting Permitted Investments hereunder;

(xvi) Liens on deposit accounts that are Excluded Accounts securing Business Credit Card Indebtedness not in excess of $5,000,000 at any time outstanding permitted under Section 6.01;

(xvii) Liens on deposit accounts that are Excluded Accounts securing ACH Indebtedness and Indebtedness in respect of letters of credit, bank guarantees and similar instruments permitted under Section 6.01;

(xviii) Liens on insurance policies and the proceeds thereof securing Indebtedness permitted by Section 6.01(a)(xviii);

(xix) Liens on tenant improvements securing Indebtedness relating to tenant improvement loans that financed such improvements; and

(xx) Liens not otherwise permitted by this Section to the extent that neither (i) the aggregate outstanding principal amount of the obligations secured thereby nor (ii) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds $5,000,000 at any time outstanding.

(b) Notwithstanding anything herein to the contrary, (A) Holdings will not create, incur, assume or permit to exist any Liens securing Indebtedness other than for Indebtedness permitted under clauses (i), (ii), (iii), (iv), (x), (xi), (xii),(xiii), (xiv), (xix), and (xx) of Section 6.01(a) and (B) no Liens, other than Permitted Encumbrances imposed by law, Liens under the Security Documents, Liens under the Second Lien Security Documents and Liens permitted by Section 6.02(a)(iv), (v), (vii) and (xii) will be permitted with respect to any Collateral consisting of Equity Interests pledged pursuant to the Security Documents.

SECTION 6.03. Fundamental Changes. (a) Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing (i) any Person may merge into or consolidate with Holdings or the Borrower in a transaction in which Holdings or the Borrower is the surviving entity, (ii) any Person (other than the Borrower) may merge into or consolidate with any Subsidiary in a transaction in which the surviving entity is a Subsidiary and, if any party to such merger or consolidation is a Subsidiary Loan Party, is a Subsidiary Loan Party, (iii) any Subsidiary may merge into or consolidate with any Person (other than the Borrower) in a transaction permitted under Section 6.05 in which, after giving effect to such transaction, the surviving entity is not a Subsidiary; (iv) any Subsidiary (other than the Borrower) may merge, consolidate or amalgamate with any other Person in order to effect an Investment permitted pursuant to Section 6.04, provided that the continuing or surviving Person shall be a Subsidiary Loan Party; and (v) any Subsidiary (other than the Borrower or another Subsidiary Loan Party) may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders;

provided that any such merger or consolidation otherwise permitted pursuant to the foregoing provisions involving a Person that is not a wholly-owned Subsidiary immediately prior to such merger or consolidation shall not be permitted unless it is also permitted by Section 6.04 or 6.05.

(b) The Borrower will not, and Holdings and the Borrower will not permit any Subsidiary to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and the Subsidiaries on the date hereof and businesses reasonably related, ancillary or incidental thereto.

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, to, purchase, hold, acquire (including pursuant to any merger or consolidation with any Person that was not a wholly-owned Subsidiary prior thereto), make or otherwise permit to exist any Investment in any other Person, except:

(a) Permitted Investments;

(b) (i) Investments existing on the date hereof in the Borrower and the Subsidiaries and (ii) other Investments existing on the date hereof and set forth on Schedule 6.04 to the Disclosure Letter;

(c) (x) additional Investments by Holdings or the Borrower in any Subsidiary Loan Party and by any Subsidiary Loan Party in the Borrower or in another Subsidiary Loan Party, and (y) Investments (including by way of capital contributions) by Holdings, the Borrower and the other Subsidiaries in Equity Interests in their Subsidiaries; provided , in the case of clause (y), that (i) such subsidiaries are Subsidiaries prior to such Investments, (ii) any such Equity Interests held by a Loan Party shall be pledged in accordance with the requirements of the Collateral and Guarantee Requirement and (iii) the aggregate amount of such Investments by the Loan Parties in Subsidiaries that are not Loan Parties pursuant to this clause (y), plus the aggregate amount of loans and advances by the Loan Parties pursuant to Section 6.04(d) to Subsidiaries that are not Loan Parties, plus the aggregate amount of Guarantees by the Loan Parties pursuant to Section 6.04(e) of Indebtedness or other obligations of Subsidiaries that are not Loan Parties (excluding all such Investments, loans, advances and Guarantees existing on the date hereof and permitted by clause (b) above or permitted under Section 6.04(p) and (s)(i) below) shall not exceed $10,000,000 at any time outstanding (in each case determined without regard to any write-downs or write-offs);

(d) loans or advances made by Holdings or the Borrower to any Subsidiary and made by any Subsidiary to the Borrower or any other Subsidiary; provided that (i) any Indebtedness resulting therefrom is permitted by clause (v) of Section 6.01(a) and (ii) the amount of such loans and advances made by Loan Parties to Subsidiaries that are not Loan Parties shall be subject to the limitation set forth in clause (c) above;

(e) Guarantees by Holdings of the Obligations, the obligations under the Second Lien Credit Agreement, and the obligations under Alternative Incremental Facility Indebtedness, Permitted First Priority Refinancing Indebtedness, Permitted Additional Second Priority Indebtedness, and Permitted Unsecured Indebtedness, and, in each case, Refinancing Indebtedness in respect thereof, and unsecured Indebtedness or Subordinated Indebtedness permitted under Section 6.01(a)(xxii), and Guarantees by the Borrower or any other Subsidiary of Indebtedness or other obligations of the Borrower or any other Subsidiary (including any such Guarantees arising as a result of any such Person being a joint and several co-applicant with respect to any letter of credit or letter of guaranty); provided that (i) (A) a Subsidiary that has not Guaranteed the Obligations pursuant to the Collateral Agreement shall not Guarantee any Indebtedness of any Loan Party, (B) any such Guarantee of such Permitted Unsecured Indebtedness (or of such Refinancing Indebtedness) provides for the release and termination thereof, without action by any Person, upon any release and termination of such Guarantee of the Obligations, and (C) any such Guarantee of Subordinated Indebtedness is subordinated to the Loan Document Obligations on terms no less favorable to the Lenders than those of the Subordinated Indebtedness, (ii) any such Guarantee constituting Indebtedness is permitted by Section 6.01, and (iii) the aggregate amount of such Indebtedness (excluding, for the avoidance of doubt, Guarantees of obligations not constituting Indebtedness) of Subsidiaries that are not Loan Parties that is Guaranteed by any Loan Parties shall be subject to the limitation set forth in clause (c) above;

(f) (i) loans or advances to employees of Holdings, the Borrower or any Subsidiary made in the ordinary course of business, including those to finance the purchase of Equity Interests of Holdings pursuant to employee plans and (ii) payroll, travel, entertainment, relocation and similar advances to directors and employees of Holdings or any Subsidiary to cover matters that are expected at the time of such advances to be treated as expenses of Holdings or such Subsidiary for accounting purposes and that are made in the ordinary course of business; provided that the aggregate principal amount of such loans and advances under this clause (f) outstanding at any time shall not exceed $7,500,000;

(g) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, or consisting of securities acquired in connection with the satisfaction or enforcement of claims due or owing to Holdings or any Subsidiary, in each case in the ordinary course of business;

(h) Permitted Acquisitions;

(i) Investments held by a Subsidiary acquired after the Effective Date or of a Person merged or consolidated with or into a Subsidiary after the Effective Date, in each case as permitted hereunder, to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or

consolidation; provided that this clause (i) is intended solely to grandfather such Investments as are indirectly acquired as a result of an acquisition of such Person otherwise permitted hereunder and any consideration paid in connection with such acquisition that may be allocable to such Investments must be permitted by, and be taken into account in computing compliance with, any basket amounts or limitations applicable to such acquisition hereunder;

(j) Investments in the form of Hedging Agreements permitted by Section 6.07;

(k) Investments by Foreign Subsidiaries in other Foreign Subsidiaries;

(l) Investments made as a result of the receipt of noncash consideration from a sale, transfer, lease or other disposition of any asset in compliance with Section 6.05;

(m) Investments that result solely from the receipt by Holdings, the Borrower or any Subsidiary from any of its subsidiaries of a dividend or other Restricted Payment in the form of Equity Interests, evidences of Indebtedness or other securities (but not any additions thereto made after the date of the receipt thereof);

(n) Investments consisting of (i) extensions of trade credit, (ii) the capitalization of any captive insurance company, (iii) deposits made in connection with the purchase of goods or services or the performance of leases, licenses or contracts, in each case, in the ordinary course of business, (iv) notes receivable of, or prepaid royalties and other extensions of credit to, customers and suppliers that are not Affiliates of the Borrower and that are made in the ordinary course of business consistent with past practice and (v) Guarantees made in the ordinary course of business in support of obligations of Holdings or any of its Subsidiaries not constituting Indebtedness for borrowed money, including operating leases and obligations owing to suppliers, customers and licensees;

(o) mergers and consolidations permitted under Section 6.03 that do not involve any Person other than Holdings, the Borrower and Subsidiaries that are wholly-owned Subsidiaries;

(p) intercompany loans or other intercompany Investments made by Loan Parties in the ordinary course of business to or in any Foreign Subsidiary (A) to fund the payment of business expenses and income taxes of Archimedes and (B) to provide funds as necessary to enable the applicable Foreign Subsidiary to comply with changes in statutory or contractual capital requirements;

(q) joint ventures or strategic alliances created or formed in the ordinary course of business of the Borrower, Holdings or their Subsidiaries; provided that the aggregate amount of Investments in such entities during any fiscal year do not exceed $10,000,000 in the aggregate;

(r) Investments consisting of Guarantees in the ordinary course of business to support the obligations of any Subsidiary under its worker's compensation and general insurance agreements; and

(s) (i) other Investments, including Investments in connection the acquisition of Foreign Subsidiaries or other Persons (including Non-Compliant Subsidiaries and Non-Compliant Assets in connection with Permitted Acquisitions) that will not be Loan Parties, in an aggregate amount not in excess of $10,000,000, plus (ii) in any additional amount, to the extent the consideration therefor consists of Qualified Equity Interests or Qualifying Equity Proceeds available on the date of such Investment and not previously applied to Specified Uses, plus (iii) if the First Lien Leverage Ratio immediately after giving effect to any such Investment, calculated on a Pro Forma Basis at the time such Investment is made, is less than 4.00 to 1.00, in an amount not in excess of the Available ECF Amount at the time such Investment is made; provided , however , that at the time any such Investment is made pursuant to this clause (s), no Default shall have occurred and be continuing or would result therefrom.

Notwithstanding anything contrary set forth above, if any Investment is denominated in a foreign currency, no fluctuation in currency values shall result in a breach of this Section 6.04. In addition, in the event that a Loan Party makes an Investment in an Excluded Subsidiary for purposes of permitting such Excluded Subsidiary or any other Excluded Subsidiary to apply the amounts received by it to make a substantially concurrent Investment (which may be made through any other Excluded Subsidiary) permitted hereunder, such substantially concurrent Investment by such Excluded Subsidiary shall not be included as an Investment for purposes of this Section 6.04 to the extent that the initial Investment by the Loan Party reduced amounts available to make Investments hereunder.

SECTION 6.05. Asset Sales. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will Holdings or the Borrower permit any Subsidiary to issue any additional Equity Interest in such Subsidiary (other than issuing directors' qualifying shares and other than issuing Equity Interests to the Borrower or another Subsidiary in compliance with Section 6.04(c)) (each, a " Disposition "), except:

(a) Dispositions of (i) inventory, (ii) used, obsolete, damaged or surplus equipment and (iii) cash and Permitted Investments, in each case in the ordinary course of business;

(b) Dispositions to the Borrower or a Subsidiary; provided that any such sales, transfers, leases or other dispositions involving a Subsidiary that is not a Loan Party (i) shall be made in compliance with Sections 6.04 and 6.09 and (ii) shall not, in the case of any sales or transfers of assets by any Loan Party to Foreign Subsidiaries in any fiscal year that are not made as Investments permitted by Section 6.04, involve assets having an aggregate fair market value in excess of $5,000,000;

(c) Dispositions of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business consistent with past practice and not as part of any accounts receivables financing transaction;

(d) Dispositions of assets to the extent that such assets constitutes an Investment referred to in and permitted by clause (g) or (l) of Section 6.04 (in each case, other than Equity Interests in a Subsidiary, unless all Equity Interests in such Subsidiary (other than directors' qualifying shares) are sold);

(e) Sale/Leaseback Transactions permitted by Section 6.06;

(f) Licenses, leases or subleases entered into in the ordinary course of business, to the extent that they do not materially interfere with the business of Holdings, the Borrower or any Subsidiary;

(g) Licenses or sublicenses of intellectual property in the ordinary course of business, to the extent that they do not materially interfere with the business of Holdings, the Borrower or any Subsidiary;

(h) Dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any asset of any of Holdings, the Borrower or any Subsidiary;

(i) Dispositions of assets to the extent that (i) such assets are exchanged for credit against the purchase price of similar replacement assets or (ii) the proceeds of such disposition are promptly applied to the purchase price of such replacement assets;

(j) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements;

(k) The abandonment, cancellation, non-renewal or discontinuance of use or maintenance of intellectual property or rights relating thereto that the Borrower determines in good faith to be desirable to the conduct of its business and not materially disadvantageous to the interests of the Lenders; and

(l) Dispositions of assets (other than Equity Interests in a Subsidiary unless all Equity Interests in such Subsidiary (other than directors' qualifying shares) are sold) that are not permitted by any other clause of this Section; provided that the aggregate fair value of all assets sold, transferred, leased or otherwise disposed of in reliance upon this clause (k) shall not exceed $20,000,000 during any fiscal year of Holdings;

provided that all sales, transfers, leases and other dispositions permitted hereby (other than those permitted by clauses (a), (b), (c), (f), (g), (h), (j) and (k)) shall be made for fair value and in the case of any Dispositions under clause (l) or clause (d)(other than those

involving consideration less than $2,500,00) for at least 75% Cash Consideration payable at the time of such sale, transfer or other disposition.

" Cash Consideration " means, in respect of any Disposition by Holdings, the Borrower or any other Subsidiary, (a) cash or Permitted Investments received by it in consideration of such Disposition and (b) any liabilities (as shown on the most recent balance sheet of Holdings provided hereunder or in the footnotes thereto) of Holdings or such Subsidiary, other than liabilities that are by their terms subordinated in right of payment to the Loan Document Obligations, that are assumed by the transferee with respect to the applicable Disposition and for which Holdings and all of the Subsidiaries shall have been validly released by all applicable creditors (or an authorized agent or representative thereof) in writing.

SECTION 6.06. Sale and Leaseback Transactions. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, enter into any Sale/Leaseback Transaction, except for any such sale of any fixed or capital assets by the Borrower or any Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within 90 days after the Borrower or such Subsidiary acquires or completes the construction of such fixed or capital asset; provided that (a) the sale or transfer of the property thereunder is permitted under Section 6.05, (b) any Capital Lease Obligations arising in connection therewith are permitted under Section 6.01 and (c) any Liens arising in connection therewith (including Liens deemed to arise in connection with any such Capital Lease Obligations) are permitted under Section 6.02.

SECTION 6.07. Hedging Agreements. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, enter into any Hedging Agreement, except (a) Hedging Agreements entered into to hedge or mitigate risks to which Holdings, the Borrower or any Subsidiary has actual exposure (other than those in respect of the Equity Interests or Indebtedness of Holdings, the Borrower or any Subsidiary) and (b) Hedging Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of Holdings, the Borrower or any Subsidiary.

SECTION 6.08. Restricted Payments; Certain Payments of Indebtedness. (a) Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that:

(i) The Borrower or any other Subsidiary may declare and pay dividends or make other distributions with respect to its Equity Interests, in each case ratably to the holders of such Equity Interests(or if not ratably, on a basis more favorable to the Borrower and the Loan Parties), provided that dividends paid by the Borrower to Holdings may only be paid at such times and in such amounts (subject to any applicable restrictions set forth below) as are necessary, after

taking into account other cash held by Holdings, to enable Holdings to make Restricted Payments permitted to be made by it under this Section 6.08;

(ii) Holdings may declare and pay dividends with respect to its Equity Interests payable solely in shares of Qualified Equity Interests of Holdings;

(iii) Holdings and the Borrower may, and the Borrower may make Restricted Payments to Holdings so that Holdings may, may repurchase, purchase, acquire, cancel or retire for value Equity Interests of Holdings from present or former employees, officers, directors or consultants (or their estates or beneficiaries under their estates) of Holdings or any Subsidiary upon the death, disability, retirement or termination of employment or service of such employees, officers, directors or consultants, or to the extent required, pursuant to employee benefit plans, employment agreements, stock purchase agreements or stock purchase plans, or other benefit plans; provided that the aggregate amount of all Restricted Payments made in reliance on this subsection (iii) shall not exceed $20,000,000 in any Fiscal Year;

(iv) the Borrower may make Restricted Payments to Holdings at such times and in such amounts as shall be necessary, after giving effect to the amount of cash and cash equivalents then otherwise available to Holdings (including through dividends or other distributions from other Subsidiaries), (A) to permit Holdings to discharge its general corporate and overhead expenses (including franchise taxes and directors fees) incurred in the ordinary course of business and other permitted liabilities and (B) to pay the Tax liabilities of Holdings directly attributable to (or arising as a result of) the operations of the Borrower and the other Subsidiaries;

(v) Holdings may make cash payments in lieu of the issuance of fractional shares representing insignificant interests in Holdings in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests in Holdings;

(vi) Holdings and the Borrower may acquire Equity Interests of Holdings upon the exercise of stock options for such Equity Interests of Holdings if such Equity Interests represent a portion of the exercise price of such stock options or in connection with tax withholding obligations arising in connection with the exercise of options by, or the vesting of restricted Equity Interests held by, any current or former director, officer or employee of Holdings or its Subsidiaries;

(vii) Holdings may convert or exchange any Equity Interests of Holdings for or into Qualified Equity Interests of Holdings;

(viii) so long as no Default shall have occurred and be continuing, (x) Holdings may on any date make Restricted Payments in an amount not in excess of the amount of Qualifying Equity Proceeds available on such date and (y) the Borrower may on any date make Restricted Payments in an amount not in excess

of the amount, if any, of Qualifying Equity Proceeds previously distributed to it and not previously applied to Specified Uses (provided , however , that the Borrower shall not, except as permitted by this clause (y), make Restricted Payments to Holdings to enable Holdings to make any Restricted Payment under this clause (viii));

(ix) so long as no Default shall have occurred and be continuing or would result therefrom and no ECF Shortfall Amount is at the time outstanding, Holdings and the Borrower may on any date make (and the Borrower may pay a dividend to Holdings on such date in an amount necessary to permit it to make such) Restricted Payments in an amount equal (A) $15,000,000 plus (B) the Available ECF Amount on such date; provided , however , that at the time of the making of such Restricted Payments and immediately after giving effect to such Restricted Payments made in reliance on subclause (ix)(B), the First Lien Leverage Ratio on such date, calculated on a Pro Forma Basis to give effect to any such Restricted Payment, is not in excess of 3.75 to 1.00;

(x) after an IPO, Holdings may distribute and redeem rights under any stockholder rights plan;

(xi) any Subsidiary may repurchase its Equity Interests held by minority shareholders or interest holders in a transaction permitted by Section 6.04; and

(xii) the Borrower and Holdings may utilize proceeds of the Term Loans made on the Effective Date and the term loans made under the Second Lien Credit Agreement on the Effective Date to pay the Dividend.

(b) Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Indebtedness, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, defeasance, cancelation or termination of any such Indebtedness, or any other payment (including any payment under any Hedging Agreement) that has a substantially similar effect to any of the foregoing, except:

(i) payments of Indebtedness created under this Agreement or any other Loan Document;

(ii) payments as and when due in respect of any Indebtedness, other than any payments in respect of Subordinated Indebtedness prohibited by the subordination provisions thereof;

(iii) mandatory prepayments of Indebtedness under the Second Lien Credit Agreement and of Other First Lien Secured Indebtedness, in each case in accordance with the express provisions of Section 2.11 hereof, and mandatory

prepayments of Indebtedness under the Second Lien Credit Agreement with Net Proceeds of an IPO;

(iv) prepayments of intercompany Indebtedness permitted hereby owed by Holdings, the Borrower or any Subsidiary to Holdings, the Borrower or any Subsidiary, other than prepayments prohibited by the subordination provisions governing such Indebtedness;

(v) refinancings of Indebtedness with the proceeds of other Indebtedness permitted under Section 6.01;

(vi) payments of secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the assets securing such Indebtedness in transactions permitted hereunder;

(vii) payments of or in respect of Indebtedness made solely with Qualified Equity Interests in Holdings or the conversion of any Indebtedness into Qualified Equity Interests of Holdings; and

(viii) cash expenditures to prepay, purchase, redeem, retire, acquire or defease Indebtedness of Holdings, the Borrower or any Subsidiary not in excess, on the date any such expenditure is made, of an amount equal to the sum of (A) the amount of Qualifying Equity Proceeds available on such date and not previously applied to Specified Uses, plus (B) if there is no ECF Shortfall Amount outstanding and the First Lien Leverage Ratio on such date, calculated on a Pro Forma Basis to give effect to any such expenditure, is not in excess of 4.00 to 1.00, the Available ECF Amount on such date.

SECTION 6.09. Transactions with Affiliates. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, sell, lease or otherwise transfer any assets to, or purchase, lease or otherwise acquire any assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (i) transactions that are at prices and on terms and conditions not less favorable to Holdings, the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (ii) transactions between or among Loan Parties not involving any other Affiliate, (iii) transactions between or among Subsidiaries that are not Loan Parties not involving any other Affiliate, (iv) loans or advances to employees permitted under Section 6.04, (v) any contribution to the capital of Holdings by General Atlantic or any purchase of Equity Interests (other than Disqualified Equity Interests) in Holdings by General Atlantic not prohibited by this Agreement, including in connection with the exercise of Cure Rights under Section 7.02, (vi) the payment of reasonable fees to directors of Holdings, the Borrower or any Subsidiary who are not employees of Holdings, the Borrower or any Subsidiary, (vii) compensation, expense reimbursement and indemnification of, and other employment arrangements (including severance arrangements) with, directors, officers and employees of Holdings, the Borrower or any other Subsidiary entered into in the ordinary course of business, (viii) any Restricted Payment permitted by Section 6.08, (ix) sales of Equity Interests to Affiliates to the

extent not prohibited under this Agreement; (x) raising of new equity for any Loan Party or Subsidiary with respect to the pricing of such equity in a transaction not otherwise prohibited under this Agreement; (xi) the Dividend; and (xii) any payments or other transactions pursuant to any tax sharing agreement among the Loan Parties and their subsidiaries, provided that any such tax sharing agreement is on terms usual and customary for agreements of that type.

SECTION 6.10. Restrictive Agreements. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of Holdings, the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its assets to secure the Obligations or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary or to Guarantee Indebtedness of the Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to (A) restrictions and conditions imposed by law or by this Agreement or any other Loan Document, (B) restrictions and conditions imposed by the Second Lien Credit Agreement as in effect on the date hereof, and (C) restrictions and conditions contained in any agreement or document evidencing or governing Refinancing Indebtedness in respect of the Indebtedness referred to in clause (A) or (B) (including, for the avoidance of doubt, Permitted First Priority Refinancing Indebtedness), Alternative Incremental Facility Indebtedness, Permitted Additional Second Priority Indebtedness) or Refinancing Indebtedness in respect thereof, provided that the restrictions and conditions contained in any such agreement or document referred to in this clause (C) are not less favorable in any material respect to the Lenders than the restrictions and conditions imposed by the Second Lien Credit Agreement, or in the case of any agreement or document evidencing or governing Alternative Incremental Facility Indebtedness, Permitted First Priority Refinancing Indebtedness or Refinancing Indebtedness in respect thereof, this Agreement, (D) in the case of any Subsidiary that is not a wholly-owned Subsidiary, restrictions and conditions imposed by its Organizational Documents or any related joint venture or similar agreements; provided that such restrictions and conditions apply only to such Subsidiary and to the Equity Interests of such Subsidiary, (E) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or any assets of Holdings, the Borrower or any Subsidiary, in each case pending such sale, provided that such restrictions and conditions apply only to such Subsidiary or the assets that are to be sold and, in each case, such sale is permitted hereunder, and (F) restrictions and conditions existing on the date hereof and identified on Schedule 6.10 to the Disclosure Letter (or to any extension or renewal of, or any amendment, modification or replacement not expanding the scope of, any such restriction or condition); and (ii) clause (a) of the foregoing shall not apply to (A) restrictions and conditions imposed by any agreement relating to secured Indebtedness permitted by clause (vii), (viii), (x), (xi), (xii), (xvi), (xvii), (xviii), (xix) and (xx) of Section 6.01(a) if such restrictions and conditions apply only to the assets securing such Indebtedness, (B) customary provisions in leases, licenses and other agreements restricting the assignment thereof and (C) restrictions imposed by agreements relating to Indebtedness of any Subsidiary in existence at the time such Subsidiary became a Subsidiary and otherwise permitted by Section 6.01, provided that such restrictions apply

only to such Subsidiary and its assets (or any special purpose acquisition Subsidiary without material assets acquiring such Subsidiary pursuant to a merger). Nothing in this paragraph shall be deemed to modify the requirements set forth in the definition of the term "Collateral and Guarantee Requirement" or the obligations of the Loan Parties under Sections 5.03, 5.12 or 5.15 or under the Security Documents.

SECTION 6.11. Amendment of Material Documents. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, amend, modify, waive, terminate or release (a) its certificate of incorporation, bylaws or other Organizational Documents or (b) any agreement or instrument governing or evidencing any Material Indebtedness, in each case if the effect of such amendment, modification, waiver, termination or release would be adverse in any material respect to the Lenders. Notwithstanding the foregoing, any amendments to or modifications of Material Indebtedness to implement any incremental or refinancing Indebtedness permitted hereby and requiring such an amendment or modification to be so implemented (including for example, amendments to the Second Lien Credit Agreement to implement Permitted Additional Second Priority Indebtedness) and, for the avoidance of doubt, any amendment or modification of this Agreement or any Loan Document approved in accordance with the terms hereof, shall not be deemed to be adverse in any material respect to the Lenders.

SECTION 6.12. Financial Covenant . (a) Holdings and the Borrower will not permit the First Lien Leverage Ratio on the last day of any fiscal quarter on which there are (i) outstanding Revolving Loans in any amount or (ii) outstanding Letters of Credit (including undrawn Letters of Credit but excluding any Letters of Credit that have been cash collateralized on the last day of such fiscal quarter in accordance with Section 2.05(j)) in excess of $15,000,000, to exceed the ratio set forth below with respect to the period during which such fiscal quarter ends:

Fiscal Quarter Ending	Ratio
September 30, 2013 through March 31, 2014	5.50:1.00
April 1, 2014 through September 30, 2014	5.25:1.00
October 1, 2014 through March 31, 2015	5.00:1.00
April 1, 2015 through September 30, 2015	4.50:1.00
October 1, 2015 through December 31, 2016	4.25:1.00
January 1, 2017 through December 31, 2017	3.75:1.00
January 1, 2018 and thereafter	3.50:1.00

(b) The provisions of Section 6.12 are solely for the benefit of Revolving Lenders and, notwithstanding the provisions of Section 9.02, a Majority in Interest of the

Revolving Lenders (excluding the Revolving Commitments of Defaulting Lenders) may (i) amend or otherwise modify Section 6.12(a) or, solely for purposes of Section 6.12(a), the defined terms used, directly or indirectly, therein, or (ii) waive any noncompliance with Section 6.12(a) or any Event of Default resulting from any such noncompliance, in each case without the consent of any other Lenders.

SECTION 6.13. Changes in Fiscal Periods. Holdings will neither (a) permit its fiscal year or the fiscal year of any Subsidiary to end on a day other than December 31, nor (b) change its method of determining fiscal quarters.

ARTICLE VII

Events of Default

SECTION 7.01. Events of Default. If any of the following events (each such event, an " Event of Default ") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(c) any representation, warranty or statement made or deemed made by or on behalf of Holdings, the Borrower or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other information furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) Holdings or the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), 5.04 (with respect to the existence of Holdings or the Borrower), 5.11 or in Article VI; provided that (i) any Event of Default under Section 6.12 (a) is subject to cure as contemplated by Section 7.02 and (ii) any failure to comply with Section 6.12(a) shall not constitute an Event of Default with respect to any Term Loans unless and until the Administrative Agent or a Majority in Interest of the Revolving Lenders (excluding the Revolving Commitments of Defaulting Lenders) shall have terminated the Revolving Commitments or exercised remedies with respect to outstanding Revolving Loans and Letters of Credit pursuant to clauses (i) and/or

(ii) of the penultimate paragraph of this Section;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause (a), (b) or (d) of this Section), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent or any Lender to the Borrower (with a copy to the Administrative Agent in the case of any such notice from a Lender);

(f) Holdings, the Borrower or any Subsidiary shall fail to make any payment (whether of principal, interest, premium or otherwise and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any grace period applicable on the date on which such payment was initially due);

(g) any event or condition occurs that results in any Material Indebtedness becoming due or being required to be prepaid, repurchased, redeemed or defeased prior to its scheduled maturity or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf, or, in the case of any Hedging Agreement the applicable counterparty, to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity (in each case after expiration of any applicable grace or cure period set forth in the agreement or instrument evidencing or governing such Material Indebtedness) ; provided that this clause (g) shall not apply to (i) any secured Indebtedness that becomes due as a result of the voluntary sale, transfer or other disposition of the assets securing such Indebtedness (to the extent such sale, transfer or other disposition is not prohibited under this Agreement), (ii) any Indebtedness that becomes due as a result of a voluntary refinancing thereof permitted under Section 6.01, (iii) the occurrence of any conversion or exchange trigger in Indebtedness that is contingently convertible or exchangeable into Equity Interests of Holdings, or (iv) the occurrence of any termination event under any Hedging Agreement other than as a result of any breach or default by Holdings, the Borrower or any Subsidiary ;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of Holdings, the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, State or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) Holdings, the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation (other than any

liquidation permitted under Section 6.03(a)(iv)), reorganization or other relief under any Federal, State or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding or (v) make a general assignment for the benefit of creditors, or the board of directors (or similar governing body) of Holdings, the Borrower or any Material Subsidiary (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to above in this clause (i) or in clause (h) of this Section;

(j) one or more judgments for the payment of money in an aggregate amount in excess of $10,000,000 (other than any such judgment covered by insurance (other than under a self-insurance program) to the extent a claim therefor has been made in writing and liability therefor has not been denied by the insurer, so long as such insurer is financially sound) shall be rendered against Holdings, the Borrower, any Material Subsidiary or any combination thereof and the same shall remain undischarged for a period of 45 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of Holdings, the Borrower or any Subsidiary to enforce any such judgment;

(k) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(l) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party not to be, a valid and perfected Lien on any Collateral having, individually or in the aggregate, a fair value in excess of $10,000,000, with the priority required by the applicable Security Document, except as a result of (i) the sale or other disposition of the applicable Collateral in a transaction permitted under the Loan Documents, (ii) the release thereof as provided in Section 9.14 or (iii) as a result of the Administrative Agent's failure to (A) maintain possession of any stock certificate, promissory note or other instrument delivered to it under the Collateral Agreement or (B) file Uniform Commercial Code continuation statements;

(m) any Guarantee purported to be created under any Loan Document shall cease to be, or shall be asserted by any Loan Party not to be, in full force and effect, except as a result of the release thereof as provided in the applicable Loan Document or Section 9.14;

(n) the First Lien/Second Lien Intercreditor Agreement is not or ceases to be binding on or enforceable against any party thereto (or against any Person on

whose behalf any such party makes any covenant or agreements therein), or shall otherwise not be effective to create the rights and obligations purported to be created thereunder, in each case except in accordance with its express terms; or

(o) a Change in Control shall occur;

then, and in every such event (other than an event with respect to Holdings or the Borrower described in clause (h) or (i) of this Section), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part (but ratably as among the Classes of Loans and the Loans of each Class at such time outstanding), in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued or owing hereunder, shall become due and payable immediately and (iii) require the deposit of cash collateral in respect of LC Exposure as provided in Section 2.05(j), in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Holdings and the Borrower; and in the case of any event with respect to Holdings or the Borrower described in clause (h) or (i) of this Section, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower hereunder, shall immediately and automatically become due and payable and the deposit of such cash collateral in respect of LC Exposure shall immediately and automatically become due, in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Holdings and the Borrower; provided , however , that upon the occurrence and during the continuance of any Event of Default attributable to a failure to comply with Section 6.12(a), only if action has been taken in respect of such Event of Default under clauses (i) and/or (ii) (with respect to the Revolving Loans) by a Majority in Interest of the Revolving Lenders (excluding any Defaulting Lenders) or by the Administrative Agent at the direction of such Lenders, then such Event of Default will be deemed to be an Event of Default with respect to all Lenders hereunder and the remedies set forth above can be exercised in respect of all Loans.

For the purpose of determining whether a Default or Event of Default has occurred under clause (h) or (i) of this Section 7.01, any reference in any such clause to any " Material Subsidiary " shall mean any Subsidiary or group of Subsidiaries affected by any event or circumstances referred to in any such clause that, as of the last day of the most recent completed fiscal quarter of Holdings, had total assets (on a consolidated basis with its or their Subsidiaries) equal to 5% or more of the consolidated total assets of Holdings or had, as of the Test Period ending on the last day of such fiscal quarter, gross revenues (on a consolidated basis with its or their Subsidiaries) equal to 5% or more of the consolidated gross revenues of Holdings, it being agreed that all Subsidiaries affected by any event or circumstance referred to in any such clause shall be considered together, as a

single Material Subsidiary, for purposes of determining whether the condition specified above is satisfied.

SECTION 7.02. Equity Cure Right. Notwithstanding anything to the contrary contained in Section 7.01, in the event that Holdings and the Borrower fail to comply with the requirements of the financial covenant set forth in Section 6.12(a), after the last day of the applicable fiscal quarter and until the expiration of the tenth Business Day (the " Cure Deadline ") after the date on which the Compliance Certificate is required to be delivered pursuant to Section 5.01(c), Holdings shall have the right to issue Qualified Equity Interests for cash or otherwise receive cash contributions to the capital of Holdings and apply the amount of the proceeds thereof to increase Consolidated EBITDA with respect to the applicable fiscal quarter and any Test Period that contains such fiscal quarter (the " Cure Right "); provided that (a) such proceeds are actually received by the Borrower (including through capital contribution of such net cash proceeds by Holdings to the Borrower) no later than ten Business Days after the date on which the Compliance Certificate is required to be delivered pursuant to Section 5.01(c), (b) such proceeds do not exceed the aggregate amount necessary to cure (by addition to Consolidated EBITDA) such Event of Default under Section 6.12 (a) for the applicable period, (c) the Cure Right shall not be exercised more than four times during the term of this Agreement, and (d) in each period of four consecutive fiscal quarters of Holdings, there shall be at least two consecutive fiscal quarters during which the Cure Right is not exercised. If, after giving effect to the foregoing adjustment, Holdings is in compliance with the financial covenant set forth in Section 6.12(a), then Holdings and the Borrower shall be deemed to have satisfied the requirements of such Section as of the relevant date of determination with the same effect as though there had been no failure to comply on such date, and the applicable breach or default of such Section that had occurred shall be deemed cured for purposes of this Agreement. Upon receipt by the Administrative Agent of written notice, on or prior to the Cure Deadline, that the Borrower intends to exercise the Cure Right in respect of a fiscal quarter, none of the Administrative Agent or the Lenders shall be permitted to accelerate Loans held by them, terminate the Revolving Commitments or to exercise other remedies, including remedies against the Collateral, on the basis of a failure to comply with the requirements of the financial covenant set forth in Section 6.12(a), unless such failure is not cured pursuant to the exercise of the Cure Right on or prior to the Cure Deadline. The parties hereby acknowledge that this Section may not be relied on for purposes of calculating any financial ratios other than as applicable to Section 6.12(a) and shall not result in any adjustment to any amounts (including Indebtedness or Consolidated EBITDA for purposes of calculating the First Lien Leverage Ratio, the Total Leverage Ratio or any Applicable Rate), other than the amount of the Consolidated EBITDA for purposes of Section 6.12(a).

ARTICLE VIII

The Administrative Agent

Each of the Lenders and the Issuing Banks hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement and its successors to serve as administrative agent and collateral agent under the Loan Documents and

authorizes the Administrative Agent to execute and deliver the Loan Documents and to take such actions and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. In addition, to the extent required under the laws of any jurisdiction other than the United States of America, each of the Lenders and the Issuing Banks hereby grants to the Administrative Agent any required powers of attorney to execute any Security Document governed by the laws of such jurisdiction on such Lender's or such Issuing Bank's behalf. It is understood and agreed that the use of the term "agent" (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender or an Issuing Bank as any other Lender or Issuing Bank and may exercise the same as though it were not the Administrative Agent, and such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Holdings, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or the Issuing Banks.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or to exercise any discretionary power (including with respect to enforcement and collection), except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion, could expose the Administrative Agent to liability or be contrary to this Agreement or any other Loan Document or applicable law, and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Holdings, the Borrower, any Subsidiary or any other Affiliate of any of the foregoing that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Notwithstanding clause (b) of the immediately preceding sentence, the Administrative Agent shall not be required to take, or to omit to take, any action hereunder or under the Loan Documents unless, upon demand, the Administrative Agent receives an indemnification satisfactory to it from the Lenders (or, to the extent applicable and acceptable to the Administrative Agent, any other Secured Party) against

all liabilities, costs and expenses that, by reason of such action or omission, may be imposed on, incurred by or asserted against the Administrative Agent or any Related Person thereof. The Administrative Agent shall not be liable for any action taken or not taken by it under or in connection with this Agreement or any Loan Document, and each Lender and Borrower hereby waives and shall not assert any claim for any action taken or not taken by the Administrative Agent under or in connection with this Agreement or any Loan Document, (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents), (ii) in the absence of its own gross negligence or wilful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and nonappealable judgment) or (iii) with respect to any calculations required or done pursuant to Section 2.21. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof (stating that it is a "notice of default") is given to the Administrative Agent by Holdings, the Borrower, a Lender or an Issuing Bank, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in this Agreement or any other Loan Document, the financial condition of the Borrower or any other Loan Party, or the occurrence of any Default, (iv) the sufficiency, validity, enforceability, effectiveness or genuineness of this Agreement or any other Loan Document or any other agreement, instrument or document (including those related to the Collateral) or (v) the satisfaction of any condition set forth in Article IV or elsewhere in this Agreement or any other Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent. Notwithstanding anything herein to the contrary, the Administrative Agent shall not be liable for, or be responsible for any loss, cost or expense suffered by the Borrower or any Lender as a result of, any determination of the Revolving Exposure or the component amounts thereof.

The Administrative Agent may, at any time, request instructions from the Lenders with respect to whether it should take or refrain from taking any action hereunder (including after an Event of Default), or grant or withhold any approval or consent, and if such instructions are reasonably promptly requested, Administrative Agent shall be absolutely entitled to refrain from taking any action or to withhold any approval or consent and shall not be under any liability whatsoever to any Person for refraining from any action or withholding any approval or consent under this Agreement or any other Loan Document until it shall have received such instructions from Required Lenders or all or such other portion of the Lenders as it deems advisable. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Administrative Agent as a result of Administrative Agent acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of the Required Lenders.

The Administrative Agent shall be entitled to rely, and shall not incur any liability for relying, upon any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed or sent or otherwise authenticated by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof). The Administrative Agent also shall be entitled to rely, and shall not incur any liability for relying, upon any statement made to it orally or by telephone and believed by it to be made by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof), and may act upon any such statement prior to receipt of written confirmation thereof. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or such Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any of and all its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents, employees, attorneys-in-fact or other Person (including any Secured Party) appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any of and all their duties and exercise their rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or wilful misconduct in the selection of such sub-agents.

Subject to the terms of this paragraph, the Administrative Agent may resign at any time from its capacity as such. In connection with such resignation, the Administrative Agent shall give notice of its intent to resign to the Lenders, the Issuing Banks and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent, which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon

the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by Holdings and the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed by Holdings, the Borrower and such successor. Notwithstanding the foregoing, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Banks and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents; provided that, solely for purposes of maintaining any security interest granted to the Administrative Agent under any Security Document for the benefit of the Secured Parties, the retiring Administrative Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Secured Parties and, in the case of any Collateral in the possession of the Administrative Agent, shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed and accepts such appointment in accordance with this paragraph (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Security Document, including any action required to maintain the perfection of any such security interest), and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; provided that (i) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (ii) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall also directly be given or made to each Lender and each Issuing Bank. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (a) above.

Each Lender and each Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent, the Arrangers or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and each Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Arrangers or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking

or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Each Lender, by delivering its signature page to this Agreement and funding its Loans on the Effective Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, this Agreement and each other Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date.

Except with respect to the exercise of setoff rights of any Lender in accordance with Section 9.08 or with respect to a Lender's right to file a proof of claim in an insolvency proceeding, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee of the Obligations, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms thereof. In the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition, and the Administrative Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Loan Document Obligations as a credit on account of the purchase price for any collateral payable by the Administrative Agent on behalf of the Secured Parties at such sale or other disposition.

In furtherance of the foregoing and not in limitation thereof, no Hedging Agreement the obligations under which constitute Secured Hedging Obligations will create (or be deemed to create) in favor of any Secured Party that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Loan Party under this Agreement or any other Loan Document. By accepting the benefits of the Collateral, each Secured Party that is a party to any such Hedging Agreement shall be deemed to have appointed the Administrative Agent to serve as administrative agent and collateral agent under the Loan Documents and agreed to be bound by the Loan Documents as a Secured Party thereunder, subject to the limitations set forth in this paragraph.

The Secured Parties irrevocably authorize the Administrative Agent, at its option and in its discretion, to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 6.02(a)(vi). The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon or any certificate prepared by any

Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

In case of the pendency of any proceeding with respect to any Loan Party under any Federal, State or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan or any LC Disbursement shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, LC Exposure and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Banks and the Administrative Agent (including any claim under Sections 2.12, 2.13, 2.15, 2.16, 2.17 and 9.03) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender, each Issuing Bank and each other Secured Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, the Issuing Banks or the other Secured Parties, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03).

Notwithstanding anything herein to the contrary, neither the Arrangers nor any Person named on the cover page of this Agreement as a Co-Syndication Agent or a Documentation Agent shall have any duties or obligations under this Agreement or any other Loan Document (except in its capacity, as applicable, as a Lender or an Issuing Bank), but all such Persons shall have the benefit of the indemnities provided for hereunder.

The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Banks, and, except solely to the extent of the Borrower's rights to consent pursuant to and subject to the conditions set forth in this Article, none of Holdings, the Borrower or any Subsidiary shall have any rights as a third party beneficiary of any such provisions. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and the Guarantees of the Obligations provided under the Loan Documents, to have agreed to the provisions of this Article.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (a) General. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) of this Section), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

(i) if to Holdings or the Borrower, to it at 1100 San Leandro Blvd., Suite 400, San Leandro, CA 94577, Attention of William Porter (Tel No. 510-875-7229, Fax No. 510-352-6480);

(ii) if to the Administrative Agent, to JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 500 Stanton Christiana Road, Ops 2, Newark, DE 19713, Attention of Jonathan Krepol (Tel No.: 302-634-1112, Fax No.: 302-634-3301), with a copy to JPMorgan Chase Bank, N.A., 383 Madison Avenue, New York, New York 10179, Attention of Robert D. Bryant (Tel No.: 212-270-6539, Fax No.: 212-270-5100);

(iii) if to any Issuing Bank, to it at its address (or fax number) most recently specified by it in a notice delivered to the Administrative Agent, Holdings and the Borrower (or, in the absence of any such notice, to the address (or fax number) set forth in the Administrative Questionnaire of the Lender that is serving as such Issuing Bank or is an Affiliate thereof);

(iv) if to the Swingline Lender, to it at JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 500 Stanton Christiana Road, Ops 2, Newark, DE 19713, Attention of Jonathan Krepol (Tel No.: 302-634-1112, Fax No.: 302-634-3301), with a copy to JPMorgan Chase Bank, N.A., 383 Madison Avenue, New York, New York 10179, Attention of Robert D. Bryant (Tel No.: 212-270-6539, Fax No.: 212-270-5100); and

(v) if to any other Lender, to it at its address (or fax number) set forth in its Administrative Questionnaire.

Notices and communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by fax shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications, to the extent provided in paragraph (b) of this Section, shall be effective as provided in such paragraph.

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Banks hereunder may be delivered or furnished by electronic communication (including e-mail and Internet and intranet websites) pursuant to

procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices under Article II to any Lender or any Issuing Bank if such Lender or such Issuing Bank, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, Holdings or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications or may be rescinded by any such Person by notice to each other such Person.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment) and (ii) notices and other communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefore; provided that, for both clauses (i) and (ii) above, if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Change of Address, etc. Any party hereto may change its address, email or fax number for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform. Holdings and the Borrower agree that the Administrative Agent may, but shall not be obligated to, make any Communications by posting such Communication on Debt Domain, IntraLinks, SyndTrak or a substantially similar electronic transmission system (the " Platform "). The Platform is provided "as is" and "as available". Neither the Administrative Agent nor any of its Related Parties warrants, or shall be deemed to warrant, as to the adequacy of the Platform and each such Person expressly disclaims any liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made, or shall be deemed to be made, by the Administrative Agent or any of its Related Parties in connection with the Communications or the Platform.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the

other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Without limiting the generality of the foregoing, the execution and delivery of this Agreement, the making of a Loan or the issuance, amendment, renewal or extension of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time. No notice or demand on Holdings or the Borrower in any case shall entitle Holdings or the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Except as otherwise expressly provided in this Agreement, none of this Agreement, any other Loan Document or any provision hereof or thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by Holdings, the Borrower, the Administrative Agent and the Required Lenders and, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, in each case with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, in each case without the written consent of each Lender affected thereby (in which case the separate consent of the Required Lenders shall not be required), (iii) postpone the scheduled maturity date of any Loan, or the date of any scheduled payment of the principal amount of any Term Loan under Section 2.10 or the applicable Incremental Facility Amendment or Refinancing Facility Agreement, or the required date of reimbursement of any LC Disbursement, or any date for the payment of any interest or fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby (in which case the separate consent of the Required Lenders shall not be required), (iv) change Section 2.18(b) or 2.18(c) in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender adversely affected thereby, (v) change any of the provisions of this Section or the percentage set forth in the definition of the term "Required Lenders" or any other provision of this Agreement or any other Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or otherwise modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (or each Lender of such Class, as applicable); provided that, with the consent of the Required Lenders or pursuant to an Incremental Facility Amendment or Refinancing Facility Agreement, the provisions of this Section and the definition of the term "Required Lenders" may be amended to include references to any new class of loans created under this Agreement (or to lenders extending such loans) on substantially the same basis as the corresponding references relating to the existing Classes of Loans or Lenders, (vi) release or otherwise limit the Guarantee of Holdings under the Collateral

Agreement or release or otherwise limit all or substantially all of the value of the Guarantees provided by the Subsidiary Loan Parties (including, in each case, by limiting liability in respect thereof) under the Collateral Agreement, in each case without the written consent of each Lender (except as expressly provided in Section 9.14 or the Collateral Agreement (including any such release by the Administrative Agent in connection with any sale or other disposition of any Subsidiary upon the exercise of remedies under the Security Documents), it being understood and agreed that an amendment or other modification of the type of obligations guaranteed under the Collateral Agreement shall not be deemed to be a release or limitation of any Guarantee), (vii) release all or substantially all the Collateral from the Liens of the Security Documents without the written consent of each Lender (except as expressly provided in Section 9.14 or the applicable Security Document (including any such release by the Administrative Agent in connection with any sale or other disposition of the Collateral upon the exercise of remedies under the Security Documents), it being understood and agreed that an amendment or other modification of the type of obligations secured by the Security Documents shall not be deemed to be a release of the Collateral from the Liens of the Security Documents), or (viii) change any provisions of this Agreement or any other Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to Lenders holding Loans of any Class differently than those holding Loans of any other Class, without the written consent of Lenders representing a Majority in Interest of each affected Class; provided further that (A) no such agreement shall amend, modify, extend or otherwise affect the rights or obligations of the Administrative Agent, any Issuing Bank or the Swingline Lender without the prior written consent of the Administrative Agent, such Issuing Bank or the Swingline Lender, as applicable, (B) any waiver, amendment or other modification of this Agreement that by its terms affects the rights or duties under this Agreement of the Lenders of one or more Classes (but not the Lenders of any other Class) may be effected by an agreement or agreements in writing entered into by Holdings, the Borrower and the requisite number or percentage in interest of each affected Class of Lenders that would be required to consent thereto under this Section if such Class of Lenders were the only Class of Lenders hereunder at the time. Notwithstanding any of the foregoing, (1) no consent with respect to any waiver, amendment or other modification of this Agreement or any other Loan Document shall be required of any Defaulting Lender, except with respect to any waiver, amendment or other modification referred to in clause (i), (ii) or (iii) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be affected by such waiver, amendment or other modification, (2) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any ambiguity, omission, mistake, defect or inconsistency so long as, in each case, the Lenders shall have received at least five Business Days prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from (x) the Required Lenders stating that the Required Lenders object to such amendment or (y) if affected by such amendment, the Swingline Lender or any Issuing Bank stating that it objects to such amendment, (3) this Agreement may be amended to provide for Incremental Facilities, Refinancing Commitments and Refinancing Loans and Permitted Amendments in connection with Loan Modification Offers as provided in

Sections 2.21, 2.22 and 2.23, in each case without any additional consents, (4) a Majority in Interest of the Revolving Lenders (determined excluding the Revolving Commitments of Defaulting Lenders) may, without the consent of other Lenders, amend or waive the covenant set forth in Section 6.12(a) as set forth in Section 6.12(b) and (5) no agreement referred to in the immediately preceding sentence shall waive any condition set forth in Section 4.02 without the written consent of the Majority in Interest of the Revolving Lenders (it being understood and agreed that any amendment or waiver of, or any consent with respect to, any provision of this Agreement (other than any waiver expressly relating to Section 4.02) or any other Loan Document, including any amendment of an affirmative or negative covenant set forth herein or in any other Loan Document or any waiver of a Default or an Event of Default, shall not be deemed to be a waiver of any condition set forth in Section 4.02).

(c) In connection with any proposed amendment, modification, waiver or termination (a " Proposed Change ") requiring the consent of all Lenders or all affected Lenders, if the consent of the Required Lenders (and, to the extent any Proposed Change requires the consent of Lenders holding Loans of any Class pursuant to clause (v) of paragraph (b) of this Section, the consent of a majority in interest of the outstanding Loans and unused Commitments of such Class) to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in paragraph (b) of this Section being referred to as a " Non-Consenting Lender "), then, so long as the Lender that is acting as Administrative Agent is not a Non-Consenting Lender, the Borrower may, at its sole expense and effort, upon notice to such Non-Consenting Lender and the Administrative Agent, require such Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Revolving Commitment is being assigned, each Issuing Bank and the Swingline Lender), which consent shall not unreasonably be withheld, (ii) such Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, including, if applicable, the prepayment fee pursuant to Section 2.11(i), (with such assignment being deemed to be an optional prepayment for purposes of determining the applicability of such Section) from the assignee (in the case of such principal and accrued interest and fees (other than any fee payable pursuant to Section 2.11(i)) or the Borrower (in the case of all other amounts (including any amount payable pursuant to Section 2.11(i), (iii) the Borrower or such assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 9.04(b), (iv) such assignment does not conflict with applicable law and (v) the assignee shall have given its consent to such Proposed Change and, as a result of such assignment and delegation and any contemporaneous assignments and delegations and consents, such Proposed Change can be effected.

(d) Notwithstanding anything herein to the contrary, the Administrative Agent may, without the consent of any Secured Party, consent to a departure by any Loan Party from any covenant of such Loan Party set forth in this Agreement, the Collateral Agreement or any other Security Document to the extent such departure is consistent with the authority of the Administrative Agent set forth in the definition of the term "Collateral and Guarantee Requirement".

(e) The Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute waivers, amendments or other modifications on behalf of such Lender. Any waiver, amendment or other modification effected in accordance with this Section, shall be binding upon each Person that is at the time thereof a Lender and each Person that subsequently becomes a Lender.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) Holdings and the Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Arrangers and their respective Affiliates, including the reasonable fees, charges and disbursements of one primary counsel and one firm of local counsel in each appropriate jurisdiction, in connection with the structuring, arrangement and syndication of the credit facilities provided for herein and any credit or similar facility refinancing or replacing, in whole or in part, any of the credit facilities provided for herein, as well as the preparation, negotiation, execution, delivery and administration of this Agreement, the other Loan Documents or any waiver, amendments or modifications of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, the Arrangers, any Issuing Bank or any Lender, including the reasonable fees, charges and disbursements of any counsel for any of the foregoing, in connection with the enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit; provided that same shall be limited to (A) one counsel to the Administrative Agent and for the Lenders (taken together as a single group or client), (B) if necessary, one local counsel required in any relevant local jurisdiction and applicable special regulatory counsel and (C) if representation of the Administrative Agent and/or all Lenders in such matter by a single counsel would be inappropriate based on the advice of legal counsel due to the existence of an actual or potential conflict of interest, one additional counsel for the Administrative Agent and for each Lender subject to such conflict.

(b) Holdings and the Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), the Arrangers, each Lender and each Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an " Indemnitee "), against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, liabilities and related expenses, including reasonable and documented fees, charges and disbursements of counsel (limited to reasonable fees,

disbursements and other charges of one primary counsel for all Indemnitees, taken as a whole, and, if necessary, one firm of local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all Indemnitees, taken as a whole (and, in the case of an actual or perceived conflict of interest, where an Indemnitee affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected Indemnitee)) and other reasonable and documented out-of-pocket expenses, incurred by or asserted against any Indemnitee arising out of, in connection with or as a result of (i) the structuring, arrangement and syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement, the other Loan Documents or any other agreement or instrument contemplated hereby or thereby, the performance by the parties to this Agreement or the other Loan Documents of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on, at, to or from any Mortgaged Property or any other property currently or formerly owned or operated by Holdings, the Borrower or any Subsidiary, or any other Environmental Liability related in any way to Holdings, the Borrower or any Subsidiary or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and whether initiated against or by any party to this Agreement or any other Loan Document, any Affiliate of any of the foregoing or any third party (and regardless of whether any Indemnitee is a party thereto); provided that the foregoing indemnity shall not, as to any Indemnitee, apply to any losses, claims, damages, penalties, liabilities or related expenses to the extent they (A) are found in a final and non-appealable judgment of a court of competent jurisdiction to have resulted from the wilful misconduct or gross negligence of such Indemnitee, (B) result from a claim brought by Holdings or any of its Subsidiaries for a material breach of such Indemnitee's obligations under this Agreement or any other Loan Document if Holdings or such Subsidiary has obtained a final and non-appealable judgment of a court of competent jurisdiction in Holdings' or its Subsidiary's favor on such claim as determined by a court of competent jurisdiction or (C) result from a proceeding that does not involve an act or omission by Holdings, the Borrower or any of their Affiliates and that is brought by an Indemnitee against any other Indemnitee (other than a proceeding that is brought against the Administrative Agent or an Arranger in its capacity as such or in fulfilling its roles as an agent or arranger hereunder or any similar role with respect to the Indebtedness incurred or to be incurred hereunder) . This paragraph shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) To the extent that Holdings and the Borrower fail to indefeasibly pay any amount required to be paid by them under paragraph (a) or (b) of this Section to the Administrative Agent (or any sub-agent thereof), any Issuing Bank, the Swingline Lender or any Related Party of any of the foregoing (and without limiting their obligation to do so), each Lender severally agrees to pay to the Administrative Agent (or any such sub-

agent), such Issuing Bank, the Swingline Lender or such Related Party, as applicable, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood and agreed that the Borrower's failure to pay any such amount shall not relieve the Borrower of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as applicable, was incurred by or asserted against the Administrative Agent (or such sub-agent), such Issuing Bank, the Swingline Lender or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), any Issuing Bank or the Swingline Lender in connection with such capacity; provided further that, with respect to such unpaid amounts owed to any Issuing Bank or the Swingline Lender in its capacity as such, or to any Related Party of any of the foregoing acting for any Issuing Bank or the Swingline Lender in connection with such capacity, only the Revolving Lenders shall be required to pay such unpaid amounts. For purposes of this Section, a Lender's "pro rata share" shall be determined based upon its share of the sum of the total Revolving Exposures, unused Revolving Commitments and, except for purposes of the second proviso of the immediately preceding sentence, the outstanding Term Loans and unused Term Commitments, in each case at that time. The obligations of the Lenders under this paragraph are subject to the last sentence of Section 2.02(a) (which shall apply mutatis mutandis to the Lenders' obligations under this paragraph).

(d) To the fullest extent permitted by applicable law, neither Holdings nor the Borrower shall assert, or permit any of their respective Affiliates or Related Parties to assert, and each hereby waives, any claim against any Indemnitee (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet) or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 9.04. Successors and Assigns. (a) General. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) neither Holdings nor the Borrower may assign, delegate or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment, delegation or transfer by Holdings or the Borrower without such consent shall be null and void) and (ii) no Lender may assign, delegate or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of

Credit), Participants (to the extent provided in paragraph (c) of this Section), the Arrangers and, to the extent expressly contemplated hereby, the sub-agents of the Administrative Agent and the Related Parties of any of the Administrative Agent, the Arrangers, any Issuing Bank and any Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign and delegate to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of (A) the Borrower; provided that no consent of the Borrower shall be required (1) for an assignment and delegation to a Lender, an Affiliate of a Lender or an Approved Fund, (2) for an assignment and delegation by any Initial Lender following the Effective Date to any assignees identified to the Borrower prior to the Effective Date in connection with the primary syndication of the Commitments or the Loans or (3) if an Event of Default has occurred and is continuing, for any other assignment and delegation; provided further that the Borrower shall be deemed to have consented to any such assignment and delegation unless it shall object thereto by written notice to the Administrative Agent within five Business Days after having received notice thereof, and (B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment and delegation (1) of all or any portion of a Term Loan to a Lender, an Affiliate of a Lender or an Approved Fund or (2) of all or any portion of a Revolving Commitment or Revolving Loans to an existing Revolving Lender, (C) each Issuing Bank, in the case of any assignment and delegation of all or a portion of a Revolving Commitment or any Lender's obligations in respect of its LC Exposure (other than to an existing Revolving Lender) and (D) the Swingline Lender, in the case of any assignment and delegation of all or a portion of a Revolving Commitment or any Lender's obligations in respect of its Swingline Exposure (other than to an existing Revolving Lender).

(ii) Assignments and delegations shall be subject to the following additional conditions: (A) except in the case of an assignment and delegation to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment and delegation of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment and delegation (determined as of the trade date specified in the Assignment and Assumption with respect to such assignment and delegation or, if no trade date is so specified, as of the date the Assignment and Assumption with respect to such assignment and delegation is delivered to the Administrative Agent) shall not be less than $5,000,000 or, in the case of Term Loans, $1,000,000, unless each of the Borrower and the Administrative Agent otherwise consents (such consent not to be unreasonably withheld or delayed); provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing, (B) each partial assignment and delegation shall be made as an assignment and delegation of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

provided that this clause (B) shall not be construed to prohibit the assignment and delegation of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans, (C) the parties to each assignment and delegation shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that (1) only one such processing and recordation fee shall be payable in the event of simultaneous assignments and delegations from any Lender or its Approved Funds to one or more other Approved Funds of such Lender and (2) with respect to any assignment and delegation pursuant to Section 2.19(b) or 9.02(c), the parties hereto agree that such assignment and delegation may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Lender required to make such assignment and delegation need not be a party thereto, and (D) the assignee, if it shall not be a Lender, shall (1) deliver to the Administrative Agent and to the Borrower any tax forms required by Section 2.17(f) and (2) to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain MNPI) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable law, including Federal, State and foreign securities laws.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned and delegated by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned and delegated by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of (and subject to the obligations and limitations of) Sections 2.14, 2.15, 2.16 and 9.03 and to any fees payable hereunder that have accrued for such Lender's account but have not yet been paid). Any assignment, delegation or other transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 9.04(c).

(iv) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the " Register "). The entries in the Register shall be conclusive absent manifest error, and Holdings, the Borrower, the Administrative Agent, the Issuing Banks and the Lenders shall treat

each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and, as to entries pertaining to it, any Issuing Bank or any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon receipt by the Administrative Agent of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and any tax forms required by Section 2.17(f) (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment and delegation required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that the Administrative Agent shall not be required to accept such Assignment and Assumption or so record the information contained therein if the Administrative Agent reasonably believes that such Assignment and Assumption lacks any written consent required by this Section or is otherwise not in proper form, it being acknowledged that the Administrative Agent shall have no duty or obligation (and shall incur no liability) with respect to obtaining (or confirming the receipt) of any such written consent or with respect to the form of (or any defect in) such Assignment and Assumption, any such duty and obligation being solely with the assigning Lender and the assignee. No assignment or delegation shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph and, following such recording, unless otherwise determined by the Administrative Agent (such determination to be made in the sole discretion of the Administrative Agent, which determination may be conditioned on the consent of the assigning Lender and the assignee), shall be effective notwithstanding any defect in the Assignment and Assumption relating thereto. Each assigning Lender and the assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the Administrative Agent that all written consents required by this Section with respect thereto (other than the consent of the Administrative Agent) have been obtained and that such Assignment and Assumption is otherwise duly completed and in proper form, and each assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the assigning Lender and the Administrative Agent that such assignee is an Eligible Assignee.

(vi) The words "execution", "signed", "signature" and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as applicable, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures

and Records Act or any other similar State laws based on the Uniform Electronic Transactions Act.

(c) Participations. Any Lender may, without the consent of the Borrower, the Administrative Agent, any Issuing Bank or the Swingline Lender, sell participations to one or more Eligible Assignees (each, a " Participant ") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and Loans of any Class); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) Holdings, the Borrower, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant or requires the approval of all the Lenders. Holdings and the Borrower agree that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood and agreed that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment and delegation pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Section 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement or any other Loan Document (the " Participant Register "); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under this Agreement or any other Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the

owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Certain Pledges. Any Lender may, without the consent of the Borrower, the Administrative Agent, any Issuing Bank or the Swingline Lender, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any central bank having jurisdiction over such Lender, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Purchasing Borrower Parties . Notwithstanding anything else to the contrary contained in this Agreement, any Lender may assign all or a portion of its Term Loans to any Purchasing Borrower Party in accordance with, and subject to the limitations of, Section 2.24 (which assignment will not be deemed to constitute a prepayment of Loans for any purposes of this Agreement or the other Loan Documents).

(f) Purchasing Debt Affiliates. Notwithstanding anything else to the contrary contained in this Agreement, but subject to the provisions and limitations of this Section 9.04(f), any Lender may assign and delegate all or a portion of its Term Loans to any Purchasing Debt Affiliate; provided that:

(i) the assigning Lender and Purchasing Debt Affiliate purchasing such Lender's Term Loans, as applicable, shall execute and deliver to the Administrative Agent an Affiliated Assignment and Assumption in lieu of an Assignment and Assumption;

(ii) for the avoidance of doubt, Lenders shall not be permitted to assign or delegate Revolving Commitments or Revolving Exposure to any Purchasing Debt Affiliate;

(iii) no Term Loan of any Class may be assigned or delegated to a Purchasing Debt Affiliate (other than a Debt Fund Affiliate) pursuant to this paragraph if, after giving effect to such assignment or delegation, Purchasing Debt Affiliates (other than Debt Fund Affiliates) in the aggregate would own in excess of 25% of all Term Loans of such Class then outstanding;

(iv) the Purchasing Debt Affiliate shall not have any MNPI that either (A) has not been disclosed to the assigning Lender (other than any such Lender that does not wish to receive MNPI) on or prior to the date of the applicable assignment and delegation to such Purchasing Debt Affiliate or (B) if not disclosed to such Lender, could reasonably be expected to have a material effect upon, or otherwise be material (1) to such Lender's decision to assign and delegate its Term Loans or (2) to the market price of the Term Loans; and

(v) the requirements of Section 9.04(b) (other than the requirement to deliver an Assignment and Assumption) shall have been satisfied with respect to each such assignment and delegation as if such Purchasing Debt Affiliate were an Eligible Assignee.

Notwithstanding anything to the contrary in this Agreement or any other Loan Document, the aggregate principal amount of Term Loans of any Class purchased by or assigned to Purchasing Debt Affiliates (other than Debt Fund Affiliates) pursuant to this Section 9.04(f), when taken together with the aggregate principal amount of Term Loans of such Class purchased by Purchasing Borrower Parties in open market purchases pursuant to Section 2.24, shall not in any event exceed 25% of the initial aggregate principal amount of Term Loans of such Class (plus, in the event of a subsequent increase in the principal amount of Term Loans of such Class pursuant to an Incremental Facility, 25% of the initial amount of such increase on the date of consummation of such Incremental Facility) (it being understood that such 25% limitation will be calculated based on such initial principal amounts and the cumulative principal amounts so purchased, regardless of any cancellation of any Term Loans of such Class purchased (including pursuant to Auction Purchase Offers) or any repayment or prepayment of Term Loans of such Class).

Notwithstanding anything to the contrary in this Agreement or any other Loan Document, no Purchasing Debt Affiliate (other than a Debt Fund Affiliate that has and maintains information barriers in place restricting the sharing of investment-related and other specific position information between it and General Atlantic with respect to the Purchasing Borrower Parties (excluding general performance information)) shall have any right to (i) attend (including by telephone) any meeting or discussions (or portion thereof) among the Administrative Agent and/or the Lenders to which representatives of Holdings, the Borrower and the Subsidiaries are not invited, (ii) receive any information or material prepared by the Administrative Agent, the Arrangers or any Lender or any communication by or among the Administrative Agent, the Arrangers and/or the Lenders, except to the extent such information or materials have been made available to Holdings, the Borrower, any Subsidiary or their respective representatives (and in any case, other than the right to receive notices of prepayments and other administrative notices in respect of its Loans required to be delivered to Lenders pursuant to Article II) or (iii) make or bring (or participate in, other than as a passive participant in or recipient of its pro rata benefits of) any claim, in its capacity as a Lender, against any the Administrative Agent, any Issuing Bank or any other Lender with respect to any duties or obligations or alleged duties or obligations of the Administrative Agent, any Issuing Bank or any Lender under this Agreement or any other Loan Document.

Each Purchasing Debt Affiliate (other than any Debt Fund Affiliate), solely in its capacity as a Lender, hereby agrees that if any Loan Party shall be subject to any voluntary or involuntary proceeding commenced under any Debtor Relief Laws (" Bankruptcy Proceedings "), (i) such Purchasing Debt Affiliate shall not take any step or action in such Bankruptcy Proceeding to object to, impede or delay the exercise of any right or the taking of any action by the Administrative Agent (or the taking of any action by a third party that is supported by the Administrative Agent) in relation to such

Purchasing Debt Affiliate's claim with respect to its Term Loans (a " Claim ") (including objecting to any debtor in possession financing, use of cash collateral, grant of adequate protection, sale or disposition, compromise, or plan of reorganization) so long as such Purchasing Debt Affiliate is treated in connection with such exercise or action on the same or better terms as the other Lenders and (ii) with respect to any matter requiring the vote of Lenders during the pendency of a Bankruptcy Proceeding (including voting on any plan of reorganization), the Term Loans held by such Purchasing Debt Affiliate (and any Claim with respect thereto) shall be deemed to have voted its interest as a Lender without discretion in the same proportion as the allocation of voting with respect to such matter by Lenders who are not Purchasing Debt Affiliates, so long as such Purchasing Debt Affiliate is treated in connection with the exercise of such right or taking of such action on the same or better terms as the other Lenders. For the avoidance of doubt, the Lenders and each Purchasing Debt Affiliate agree and acknowledge that the provisions set forth in this paragraph, and the related provisions set forth in each Affiliated Assignment and Assumption, constitute a "subordination agreement" as such term is contemplated by, and utilized in, Section 510(a) of the Bankruptcy Code, and, as such, would be enforceable for all purposes in any case where a Loan Party has filed for protection under any Debtor Relief Law applicable to the Loan Party (it being understood and agreed that the foregoing shall not cause the Term Loans held by any Purchasing Debt Affiliate to be subordinated in right of payment to any other Obligations).

Furthermore, notwithstanding anything in Section 9.02 or the definition of the term "Required Lenders" to the contrary, (a) for purposes of determining whether the Required Lenders or any other requisite Class vote required by this Agreement have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of this Agreement or any other Loan Document or any departure by any Loan Party therefrom, (ii) otherwise acted on any matter related to this Agreement or any other Loan Document or (iii) directed or required the Administrative Agent, any Issuing Bank or any Lender to undertake any action (or refrain from taking any action) with respect to or under this Agreement or any other Loan Document, all Term Loans held by any Purchasing Debt Affiliate (other than a Debt Fund Affiliate) shall be deemed to be not outstanding for all purposes of calculating whether the Required Lenders or the requisite vote of any Class of Lenders have taken any actions and (b) with respect to any amendment, modification, waiver, consent or other action with respect to any of the terms of this Agreement or any other Loan Document that requires the consent of all, or all affected, Lenders, the Term Loans held by any such Purchasing Debt Affiliate shall be deemed to be outstanding only if such amendment, modification, waiver, consent or other action would have a disproportionately adverse effect on such Purchasing Debt Affiliate.

Notwithstanding the foregoing or anything in Section 9.02 or the definitions of the terms "Required Lenders" and "Majority in Interest" to the contrary, a Debt Fund Affiliate will not be subject to the voting limitations set forth in the preceding two paragraphs and will be entitled to vote in the same manner as Lenders that are not Purchasing Debt Affiliates; provided , however , that in connection with any Required Lender vote or any vote requiring the approval of a Majority in Interest of the Term Loans of any Class, Debt Fund Affiliates may not, in the aggregate, account for more

than 49.9% of the amounts included in determining whether the Required Lenders or a Majority in Interest of such Class have consented to any amendment or waiver (and for purposes of the foregoing, any amounts in excess of such percentage held by Debt Fund Affiliates shall be deemed to be not outstanding for purposes of calculating the Required Lenders or Majority in Interest of such Class).

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in this Agreement and the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the other Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Arrangers, any Issuing Bank, any Lender or any Affiliate of any of the foregoing may have had notice or knowledge of any Default or incorrect representation or warranty at the time this Agreement or any other Loan Document is executed and delivered or any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any LC Exposure is outstanding and so long as the Commitments have not expired or terminated. Notwithstanding the foregoing or anything else to the contrary set forth in this Agreement or any other Loan Document, in the event that, in connection with the refinancing or repayment in full of the credit facilities provided for herein, an Issuing Bank shall have provided to the Administrative Agent a written consent to the release of the Revolving Lenders from their obligations hereunder with respect to any Letter of Credit issued by such Issuing Bank (whether as a result of the obligations of the Borrower (and any other account party) in respect of such Letter of Credit having been collateralized in full by a deposit of cash with such Issuing Bank, or being supported by a letter of credit that names such Issuing Bank as the beneficiary thereunder, or otherwise), then from and after such time such Letter of Credit shall cease to be a "Letter of Credit" outstanding hereunder for all purposes of this Agreement and the other Loan Documents, and the Revolving Lenders shall be deemed to have no participations in such Letter of Credit, and no obligations with respect thereto, under Section 2.06(d) or 2.06(e). The provisions of Sections 2.15, 2.16, 2.17, 2.18(e) and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment or prepayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or the syndication of the Loans and Commitments constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile transmission or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each Issuing Bank and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) or other amounts at any time held and other obligations (in whatever currency) at any time owing by such Lender, such Issuing Bank or any such Affiliate to or for the credit or the account of Holdings or the Borrower against any of and all the obligations then due of Holdings or the Borrower now or hereafter existing under this Agreement held by such Lender, such Issuing Bank or any such Affiliates, irrespective of whether or not such Lender, such Issuing Bank or any such Affiliate shall have made any demand under this Agreement and although such obligations of Holdings or the Borrower are owed to a branch or office of such Lender, such Issuing Bank or any such Affiliate different from the branch or office holding such deposit or obligated on such Indebtedness. Each Lender and each Issuing Bank agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give or any delay in giving such notice shall not affect the validity of any such setoff and application under this Section. The rights of each Lender, each Issuing Bank and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Bank and any such Affiliate may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York.

(b) Each of Holdings and the Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, any Issuing Bank or any Related Party of any of

the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits, for itself and its property, to the jurisdiction of such courts and agrees that all claims in respect of any action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each party hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, any Lender or any Issuing Bank may otherwise have to bring any action, litigation or proceeding relating to this Agreement or any other Loan Document against any Loan Party or any of its properties in the courts of any jurisdiction.

(c) Each of Holdings and the Borrower hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action, litigation or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this

Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Lenders and the Issuing Banks agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Related Parties, including accountants, legal counsel and other agents and advisors, it being understood and agreed that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential, (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing confidentiality undertakings substantially similar to those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its Related Parties) to any Hedging Agreement relating to Holdings, the Borrower or any Subsidiary and its obligations hereunder or under any other Loan Document, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities provided for herein, (h) with the consent of the Borrower or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Lender or any Issuing Bank or any Affiliate of any of the foregoing on a nonconfidential basis from a source other than Holdings or the Borrower. For purposes of this Section, " Information " means all information received from Holdings or the Borrower relating to Holdings, the Borrower or any Subsidiary or their businesses, other than any such information that is available to the Administrative Agent, any Lender or any Issuing Bank on a nonconfidential basis prior to disclosure by Holdings or the Borrower; provided that, in the case of information received from Holdings or the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan or participation in any LC Disbursement, together with all fees, charges and other amounts that are treated as interest on such Loan or LC Disbursement or participation therein under applicable law (collectively the " Charges "), shall exceed the maximum lawful rate

(the " Maximum Rate ") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan or LC Disbursement or participation therein in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan or LC Disbursement or participation therein but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or LC Disbursement or participation therein or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.14. Release of Liens and Guarantees. Subject to the reinstatement provisions set forth in the Collateral Agreement, a Subsidiary Loan Party shall automatically be released from its obligations under the Loan Documents, and all security interests created by the Security Documents in Collateral owned by such Subsidiary Loan Party shall be automatically released, upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary Loan Party ceases to be a Subsidiary; provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. Upon any sale or other transfer by any Loan Party (other than to Holdings, the Borrower or any other Loan Party) of any Collateral in a transaction permitted under this Agreement, or upon the effectiveness of any written consent to the release of the security interest created under any Security Document in any Collateral pursuant to Section 9.02, the security interests in such Collateral created by the Security Documents shall be automatically released. In connection with any termination or release pursuant to this Section, the Administrative Agent shall execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent. Each of the Secured Parties irrevocably authorizes the Administrative Agent, at its option and in its discretion, to effect the releases set forth in this Section.

SECTION 9.15. USA Patriot Act Notice. Each Lender, each Issuing Bank and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Loan Party that, pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender, such Issuing Bank or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the USA Patriot Act, and each Loan Party agrees to provide such information from time to time to such Lender, such Issuing Bank and the Administrative Agent, as applicable.

SECTION 9.16. No Fiduciary Relationship. Each of Holdings and the Borrower, on behalf of itself and its subsidiaries, agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection

therewith, Holdings, the Borrower, the Subsidiaries and their respective Affiliates, on the one hand, and the Administrative Agent, the Arrangers, the Lenders, the Issuing Banks and their respective Affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Administrative Agent, the Lenders, the Issuing Banks or their Affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications. The Administrative Agent, the Arrangers, the Lenders, the Issuing Banks and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of Holdings, the Borrower, the Subsidiaries and their respective Affiliates, and none of the Administrative Agent, the Arrangers, the Lenders, the Issuing Banks or any of their respective Affiliates has any obligation to disclose any of such interests to Holdings, the Borrower, the Subsidiaries or any of their respective Affiliates. To the fullest extent permitted by law, each of Holdings and the Borrower hereby waives and releases any claims that it or any of its Affiliates may have against the Administrative Agent, the Arrangers, the Lenders, the Issuing Banks or any of their respective Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.17. Non-Public Information. (a) Each Lender acknowledges that all information, including requests for waivers and amendments, furnished by Holdings, the Borrower or the Administrative Agent pursuant to or in connection with, or in the course of administering, this Agreement will be syndicate-level information, which may contain MNPI. Each Lender represents to Holdings, the Borrower and the Administrative Agent that (i) it has developed compliance procedures regarding the use of MNPI and that it will handle MNPI in accordance with such procedures and applicable law, including Federal, State and foreign securities laws, and (ii) it has identified in its Administrative Questionnaire a credit contact who may receive information that may contain MNPI in accordance with its compliance procedures and applicable law, including Federal, State and foreign securities laws.

(b) Holdings, the Borrower and each Lender acknowledge that, if information furnished by Holdings or the Borrower pursuant to or in connection with this Agreement is being distributed by the Administrative Agent through the Platform, (i) the Administrative Agent may post any information that Holdings or the Borrower has indicated as containing MNPI solely on that portion of the Platform as is designated for Private Side Lender Representatives and (ii) if Holdings or the Borrower has not indicated whether any information furnished by it pursuant to or in connection with this Agreement contains MNPI, the Administrative Agent reserves the right to post such information solely on that portion of the Platform as is designated for Private Side Lender Representatives. Each of Holdings and the Borrower agrees to clearly designate all information provided to the Administrative Agent by or on behalf of Holdings or the Borrower that is suitable to be made available to Public Side Lender Representatives, and the Administrative Agent shall be entitled to rely on any such designation by Holdings and the Borrower without liability or responsibility for the independent verification thereof.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

TRINET HR CORPORATION, as Borrower,

by /s/ William Porter
Name: William Porter
Title: Vice President and CFO

TRINET GROUP, INC.

by /s/ Burton M. Goldfield
Name: Burton M. Goldfield
Title: President and CEO

JPMORGAN CHASE BANK, N.A.,
individually and as Administrative Agent,

by /s/ Robert D. Bryant
Name: Robert D. Bryant
Title: Vice President

LENDERS UNDER THE CREDIT AGREEMENT

Name of Institution:

MORGAN STANLEY BANK, N.A., as Revolving Lender,

by /s/ Justin Kotzin
Name: Justin Kotzin
Title: Authorized Signatory

BANK OF AMERICA, N.A.

by /s/ Cameron Cardozo
Name: Cameron Cardozo
Title: Senior Vice President

DEUTSCHE BANK AG, NEW YORK BRANCH

by /s/ Dusan Lazarov
Name: Dusan Lazarov
Title: Director

by /s/ Peter Cucchiara
Name: Peter Cucchiara
Title: Vice President

KEBANK NATIONAL ASSOCIATION

by /s/ Ryan M. Pastore
Name: Ryan M. Pastore
Title: Vice President

Schedule 1.01B

DISQUALIFIED LENDERS

None

Schedule 2.01

COMMITMENTS

REVOLVING COMMITMENTS

Lender	Revolving Commitment
JPMorgan Chase Bank, N.A.	$ 22,000,000
Morgan Stanley Senior Funding, Inc.	$ 17,000,000
Bank of America, N.A.	$ 13,000,000
Deutsche Bank AG New York Branch	$ 13,000,000
KeyBank National Association	$ 10,000,000

TRANCHE B-1 TERM COMMITMENTS

Lender	Tranche B-1 Term Commitment
JPMorgan Chase Bank, N.A.	$ 175,000,000

TRANCHE B-2 TERM COMMITMENTS

Lender	Tranche B-2 Term Commitment
JPMorgan Chase Bank, N.A.	$ 455,000,000

Schedule 5.15

POST-CLOSING MATTERS

1. Entry into Control Agreements for Deposit Accounts and Securities Accounts, in each case to the extent required by paragraph (f) of the definition of "Collateral and Guarantee Requirement".

2. Entry into a Foreign Pledge Agreement granting a Lien on the Equity Interests of Archimedes (to the extent required by paragraph (b) of the definition of "Collateral and Guarantee Requirement") governed by the law of Bermuda.

3. Entry into the Intercompany Note.

4. Entry into the Intercompany Subordination Agreement.

[FORM OF] ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this " Assignment and Assumption ") is dated as of the Assignment Effective Date set forth below and is entered into by and between the Assignor (as defined below) and the Assignee (as defined below). Capitalized terms used but not defined herein shall have the meanings given to them in the First Lien Credit Agreement identified below (the " First Lien Credit Agreement "), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions referred to above and the First Lien Credit Agreement, as of the Assignment Effective Date inserted by the Administrative Agent as contemplated below, (a) all of the Assignor's rights and obligations in its capacity as a Lender under the First Lien Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any Guarantees and participations in any Letters of Credit and Swingline Loans included in such facilities) and (b) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the First Lien Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (a) above (the rights and obligations sold and assigned pursuant to clauses (a) and (b) above being referred to herein collectively as the " Assigned Interest "). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____
2. Assignee: _____
   [and is [a Lender] [an Affiliate/Approved Fund of [Identify Lender]] [an Eligible Assignee]] [1]
3. Borrower: TriNet HR Corporation

[1] Select as applicable.

4. Administrative Agent: JPMorgan Chase Bank, N.A., as the Administrative Agent under the First Lien Credit Agreement

5. First Lien Credit Agreement: The First Lien Credit Agreement dated as of August 20, 2013, among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc., (" Holdings "), the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, as amended, supplemented or otherwise modified as of the date hereof

6. Assigned Interest: [2]

Facility Assigned	Aggregate Amount of Commitment/ Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/ Loans [3]
Tranche B-1 Term Commitment/ Loans	$	$	%
Tranche B-2 Term Commitment/ Loans	$	$	%
Revolving Commitment/Loans	$	$	%
[ ] [4]	$	$	%

Assignment Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR]

The Assignee, if not already a Lender, agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain MNPI) will be made available and who may receive such information in accordance with the

[2] Must comply with the minimum assignment amount set forth in Section 9.04(b)(ii)(A) of the First Lien Credit Agreement, to the extent such minimum assignment amounts are applicable.

[3] Set forth, to at least nine decimals, as a percentage of the Commitments/Loans of all Tranche B-1 Term Lenders, Tranche B-2 Term Lenders, Revolving Lenders, Incremental Lenders or Refinancing Term Lenders of any Series, as applicable.

[4] In the event Incremental Commitments/Loans or Refinancing Term Commitments/Refinancing Term Loans of any Series are established under Section 2.21 or Section 2.22 of the First Lien Credit Agreement, as applicable, refer to the Series of such Incremental Commitments/Loans or Refinancing Term Loan Commitments/Refinancing Term Loans assigned, as applicable.

Assignee's compliance procedures and applicable law, including Federal, state and foreign securities laws.

The terms set forth in this Assignment and Assumption are hereby agreed to:

[NAME OF ASSIGNOR], as Assignor,

by
Name:
Title:

[NAME OF ASSIGNEE], as Assignee,

by
Name:
Title:

[Consented to and] [1] Accepted:

JPMORGAN CHASE BANK, N.A., as Administrative Agent,

by _____
Name:
Title:

[Consented to:] [2]

[TRINET HR CORPORATION, as Borrower,]

by _____
Name:
Title:

[Consented to:] [3]

[EACH ISSUING BANK,]

by _____
Name:
Title:

[1] To be included only if the consent of the Administrative Agent is required by Section 9.04(b)(i)(B) or 9.04(b)(ii)(A) of the First Lien Credit Agreement.

[2] To be included only if the consent of the Borrower is required by Section 9.04(b)(i)(A) or 9.04(b)(ii)(A) of the First Lien Credit Agreement.

[3] To be included only if the consent of any Issuing Bank is required by Section 9.04(b)(i)(C) of the First Lien Credit Agreement.

[Consented to] [4]:

[JPMORGAN CHASE BANK, N.A., as
Swingline Lender,]

by _____
Name:
Title:

[4] To be included only if the consent of the Administrative Agent is required by Section 9.04(b)(i)(D) of the First Lien Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the First Lien Credit Agreement or any other Loan Document, other than statements made by it herein, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of Holdings, the Borrower, any other Subsidiary or any other Affiliate of Holdings or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by Holdings, the Borrower, any other Subsidiary or any other Affiliate of Holdings or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the First Lien Credit Agreement, (ii) it satisfies the requirements, if any, specified in the First Lien Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Assignment Effective Date, it shall be bound by the provisions of the First Lien Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the First Lien Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof (or, prior to the first such delivery, the financial statements referred to in Section 3.04 thereof), and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent, the Assignor or any other Lender, (v) if it is a Lender that is a U.S. Person, attached to this Assignment and Assumption is an executed original of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax, (vi) if it is a Foreign Lender, attached to this Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the First Lien Credit Agreement (including Section 2.17(f) thereof), duly completed and executed by the Assignee, and (vii) it does not bear a relationship to Holdings or the Borrower as described in Section 108(e)(4) of the Code; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan

Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Assignment Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to or on or after the Assignment Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Assignment Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by and construed in accordance with the laws of the State of New York.

[FORM OF] AFFILIATED ASSIGNMENT AND ASSUMPTION

This Affiliated Assignment and Assumption (this " Assignment and Assumption ") is dated as of the Assignment Effective Date set forth below and is entered into by and between the Assignor (as defined below) and the Assignee (as defined below). Capitalized terms used but not defined herein shall have the meanings given to them in the First Lien Credit Agreement identified below (the " First Lien Credit Agreement "), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions referred to below and the First Lien Credit Agreement, as of the Assignment Effective Date inserted by the Administrative Agent as contemplated below, (a) all of the Assignor's rights and obligations in its capacity as a Lender under the First Lien Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any Guarantees included in such facilities) and (b) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the First Lien Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (a) above (the rights and obligations sold and assigned pursuant to clauses (a) and (b) above being referred to herein collectively as the " Assigned Interest "). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____
2. Assignee: _____
   [and is a [Purchasing Borrower Party][Purchasing Debt Affiliate]] [1]
3. Borrower: TriNet HR Corporation
4. Administrative Agent: JPMorgan Chase Bank, N.A., as the Administrative Agent under the First Lien Credit Agreement

[1] Select as applicable.

5. First Lien Credit Agreement: The First Lien Credit Agreement dated as of August 20, 2013, among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc. (" Holdings "), the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, as amended, supplemented or otherwise modified as of the date hereof

6. Assigned Interest: [2]

Facility Assigned	Aggregate Amount of Commitment/ Loans of all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/ Loans [3]
Tranche B-1 Term Commitment/ Loans	$	$	%
Tranche B-2 Term Commitment/ Loans	$	$	%
[ ] [4]	$	$	%

Assignment Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR]

The Assignee, if not already a Lender, agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain MNPI) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable law, including Federal, state and foreign securities laws.

[2] Must comply with the minimum assignment amounts set forth in Section 9.04(b)(ii)(A) of the First Lien Credit Agreement, to the extent such minimum assignment amounts are applicable.

[3] Set forth, to at least nine decimals, as a percentage of the Commitments/Loans of all Tranche B-1 Term Lenders, Tranche B-2 Term Lenders or Incremental Lenders of the applicable Class.

[4] In the event Incremental Term Commitments/Loans or Refinancing Term Loan Commitments/Refinancing Term Loans of any Series are established under Section 2.21 or Section 2.22 of the First Lien Credit Agreement, as applicable, refer to the Series of such Incremental Term Commitments/Loans or Refinancing Term Loan Commitments/Refinancing Term Loans assigned, as applicable.

The terms set forth above are hereby agreed to:

, as Assignor,

by _____
Name:
Title:

, as Assignee, [5]

by _____
Name:
Title:

[Consented to and] [6] Accepted:
JPMORGAN CHASE BANK, N.A.,
as Administrative Agent,

by _____
Name:
Title:

[Consented to:] [7]

[TRINET HR CORPORATION,]

by _____
Name:
Title:

[5] The Assignee must deliver to the Borrower all applicable Tax forms required to be delivered by it under the First Lien Credit Agreement, including Section 2.17(f) thereof.

[6] To be included only if the consent of the Administrative Agent is required by Section 9.04(b)(i)(B) or 9.04(b)(ii)(A) of the First Lien Credit Agreement.

[7] To be included only if the consent of the Borrower is required by Section 9.04(b)(i)(A) or 9.04(b)(ii)(A) of the First Lien Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR AFFILIATED ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the First Lien Credit Agreement or any other Loan Document, other than statements made by it herein, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of Holdings, the Borrower, any Subsidiary or any other Affiliate of Holdings or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by Holdings, the Borrower, any Subsidiary or any other Affiliate of Holdings or any other Person of any of their respective obligations under any Loan Document; and (c) acknowledges that the Assignee is a [Purchasing Borrower Party][Purchasing Debt Affiliate].

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the First Lien Credit Agreement, (ii) it satisfies the requirements, if any, specified in the First Lien Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) it is a [Purchasing Borrower Party] [Purchasing Debt Affiliate], (iv) as of the date hereof the Assignee does not have any MNPI that either (A) has not been disclosed to the Assignor (other than because the Assignor does not wish to receive MNPI) on or prior to the date hereof or (B) if not disclosed to the Assignor, could reasonably be expected to have a material effect upon, or otherwise be material to, (1) the Assignor's decision to make the assignment effectuated hereby or (2) the market price of the Term Loans to be assigned hereunder, (v) from and after the Effective Date, it shall be bound by the provisions of the First Lien Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (vi) it has received a copy of the First Lien Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof (or, prior to the first such delivery, the financial statements referred to in Section 3.04 thereof), and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent, the Assignor or any other Lender, (vii) it is not a Purchasing Borrower Party or, if it is a Purchasing Borrower Party, the Borrower has delivered to the Auction Manager an officer's certificate of its Financial Officer certifying as to compliance with clauses (i), (v), (vi), (vii) and (ix) of Section 2.24(a) of

the First Lien Credit Agreement, (viii) if it is a Lender that is a U.S. Person, attached to this Assignment and Assumption is an executed original of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax and (ix) if it is a Foreign Lender, attached to this Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the First Lien Credit Agreement (including Section 2.17(f) thereof), duly completed and executed by the Assignee, and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. [Payments. From and after the Assignment Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to or on or after the Assignment Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Assignment Effective Date or with respect to the making of this assignment directly between themselves.] [16]

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by and construed in accordance with the laws of the State of New York.

[16] To be included if the Assignee is a Purchasing Debt Affiliate.

EXHIBIT B

[FORM OF] BORROWING REQUEST

JPMorgan Chase Bank, N.A.,
as Administrative Agent
Loan and Agency Services Group
500 Stanton Christiana Road, Ops 2
Newark, DE 19713
Attention: Jonathan Krepol
Fax: (302) 634-3301

Copy to:

JPMorgan Chase Bank, N.A.,
as Administrative Agent
383 Madison Avenue
New York, New York 10179
Attention: [•]
Fax: [•]]

[Date]

Ladies and Gentlemen:

Reference is made to the First Lien Credit Agreement dated as of August [•], 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " First Lien Credit Agreement "), among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc., the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the First Lien Credit Agreement. This notice constitutes a Borrowing Request and the Borrower hereby gives you notice, pursuant to Section 2.03 of the First Lien Credit Agreement, that it requests a Borrowing under the First Lien Credit Agreement, and in connection therewith specifies the following information with respect to such Borrowing:

(A) Class of Borrowing: [1] _____

(B) Aggregate principal amount of Borrowing: [2] $ _____

(C) Date of Borrowing (which is a Business Day): _____

(D) Type of Borrowing: [3] _____

[1] Specify Tranche B-1 Term Borrowing, Tranche B-2 Term Borrowing, Revolving Borrowing, Incremental Borrowing or Refinancing Term Loan Borrowing, and if an Incremental Borrowing or Refinancing Term Loan Borrowing, specify the Series.

[2] Must comply with Section 2.02(c) of the Credit Agreement.

[3] Specify ABR Borrowing or Eurodollar Borrowing. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing.

(E) Interest Period and the last day thereof: [4] _____

(F) Location and number of the Borrower's account to which proceeds of the requested Borrowing are to be disbursed: [Name of Bank] (Account No.: _____)

The Borrower hereby certifies that the conditions specified in Section 4.02 of the Credit Agreement have been satisfied and that, after giving effect to the Borrowing requested hereby and the use of proceeds thereof, the Aggregate Revolving Exposure (or any component thereof) shall not exceed the maximum amount thereof (or the maximum amount of any such component) specified in Section 2.01 of the Credit Agreement.

Very truly yours,

TRINET HR CORPORATION,

By: _____
Name:
Title:

[4] Applicable to Eurodollar Borrowings only, shall be subject to the definition of "Interest Period" and can be a period of one, two, three or six months (or, to the extent made available by all Lenders participating in the requested Borrowing, twelve months). If an Interest Period is not specified, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

AUCTION PROCEDURES

This Exhibit C is intended to summarize certain basic terms of the modified Dutch auction procedures pursuant to and in accordance with the terms and conditions of Section 2.24 of the First Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " First Lien Credit Agreement "), among TriNet HR Corporation, TriNet Group, Inc., the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (the " Administrative Agent "). This Exhibit C is not intended to be a definitive statement of all of the terms and conditions of a modified Dutch auction, the definitive terms and conditions for which shall be set forth in the applicable offering document. None of the Administrative Agent, the Auction Manager, or any of their Affiliates makes any recommendation pursuant to any offering document as to whether or not any Lender should sell its Term Loans to a Purchasing Borrower Party pursuant to any offering documents, nor shall the decision by the Administrative Agent or the Auction Manager (or any of their Affiliates) in its capacity as a Lender to sell its Term Loans to a Purchasing Borrower Party be deemed to constitute such a recommendation. Each Lender should make its own decision as to whether to sell any of its Term Loans and as to the price to be sought for such Term Loans. In addition, each Lender should consult its own attorney, business advisor or tax advisor as to legal, business, tax and related matters concerning each Auction Purchase Offer and the relevant offering documents. Capitalized terms not otherwise defined in this Exhibit C have the meanings assigned to them in the First Lien Credit Agreement.

1. Notice Procedures. In connection with each Auction Purchase Offer, the applicable Purchasing Borrower Party will provide notification to the Auction Manager (for distribution to the Lenders of the applicable Class(es)) of the Class or Classes of Term Loans (as determined by such Purchasing Borrower Party in its sole discretion) that will be the subject of such Auction Purchase Offer (each, an " Auction Notice "). Each Auction Notice shall contain (i) the maximum principal amount (calculated on the face amount thereof) of each Class of Term Loans that the applicable Purchasing Borrower Party offers to purchase in such Auction Purchase Offer (the " Auction Amount "), which shall be no less than $10,000,000 (across all such Classes) (unless a lesser amount is agreed to by the Administrative Agent in its reasonable discretion); (ii) the range of discounts to par (the " Discount Range "), expressed as a range of prices (in increments of $5) per $1,000, at which such Purchasing Borrower Party would be willing to purchase Term Loans of each applicable Class in such Auction Purchase Offer; and (iii) the date on which such Auction Purchase Offer will conclude (which date shall not be fewer than three Business Days following the distribution of the Auction Notice to the Lenders of the applicable Class(es)), on which date Return Bids (as defined below) will be due by 1:00 p.m., New York City time (as such date and time may be extended by the Auction Manager, the " Expiration Time "). Such Expiration Time may be extended for a period not exceeding three Business Days upon notice by the Purchasing Borrower Party to the Auction Manager received not less than 24 hours before the original Expiration Time; provided , that only two extensions per offer shall be permitted (unless otherwise approved by the Auction Manager prior to the date of the applicable Auction Purchase Offer). An Auction Purchase Offer shall be regarded as a "failed purchase offer" in the event that either (x) the applicable Purchasing Borrower Party withdraws such Auction Purchase Offer in accordance with the terms hereof or as set forth in Section 2.24(b) of the First Lien Credit Agreement or (y) the Expiration Time occurs with no Qualifying Bids (as defined below) having been received. In the event of a failed purchase offer, no Purchasing Borrower Party shall be permitted to deliver a new Auction Notice prior to the date occurring three Business Days after such withdrawal or Expiration Time, as the case may be. Notwithstanding anything to the contrary contained herein, the applicable Purchasing Borrower Party shall not initiate any Auction Purchase Offer by delivering an Auction Notice to the Auction Manager until after the conclusion

(whether successful or failed) of the previous Auction Purchase Offer (if any), whether such conclusion occurs by withdrawal of such previous Auction Purchase Offer or the occurrence of the Expiration Time of such previous Auction Purchase Offer.

2. Reply Procedures. In connection with any Auction Purchase Offer, each Lender of the Term Loans of the applicable Class(es) wishing to participate in such Auction Purchase Offer shall, prior to the Expiration Time, provide the Auction Manager with a notice of participation, in the form included in the applicable offering document (each, a " Return Bid ") which shall specify (i) a discount to par that must be expressed as a price (in increments of $5) per $1,000 in principal amount of Term Loans (the " Reply Price ") of the applicable Class(es) within the Discount Range and (ii) the principal amount of Term Loans of the applicable Class(es), in an amount not less than $1,000,000 or an integral multiple of $1,000 in excess thereof, that such Lender offers for sale at its Reply Price (the " Reply Amount "). A Lender may submit a Reply Amount that is less than the minimum amount and incremental amount requirements described above only if the Reply Amount comprises the entire amount of the Term Loans of the applicable Class(es) held by such Lender. Lenders may only submit one Return Bid per Class per Auction Purchase Offer, but each Return Bid may contain up to three component bids, each of which may result in a separate Qualifying Bid and each of which will not be contingent on any other component bid submitted by such Lender resulting in a Qualifying Bid. In addition to the Return Bid, the participating Lender must execute and deliver, to be held in escrow by the Auction Manager, an Affiliated Assignment and Assumption. No Purchasing Borrower Party will purchase any Term Loans at a price that is outside of the applicable Discount Range, nor will any Return Bids (including any component bids specified therein) submitted at a price that is outside such applicable Discount Range be considered in any calculation of the Applicable Threshold Price (as defined below).

3. Acceptance Procedures. Based on the Reply Prices and Reply Amounts received by the Auction Manager, the Auction Manager, in consultation with the applicable Purchasing Borrower Party, will calculate the lowest purchase price (the " Applicable Threshold Price ") for such Auction Purchase Offer within the Discount Range for such Auction Purchase Offer that will allow such Purchasing Borrower Party to complete the Auction Purchase Offer by purchasing the full Auction Amount (or such lesser amount of Term Loans for which such Purchasing Borrower Party has received Qualifying Bids). Subject to the conditions contained in the Auction Notice, the applicable Purchasing Borrower Party shall purchase Term Loans of the applicable Class(es) from each Lender whose Return Bid is within the Discount Range and contains a Reply Price that is equal to or less than the Applicable Threshold Price (each, a " Qualifying Bid "). All Term Loans of the applicable Class included in Qualifying Bids (including multiple component Qualifying Bids contained in a single Return Bid) received at a Reply Price lower than the Applicable Threshold Price will be purchased at such applicable Reply Prices and shall not be subject to proration. Each participating Lender will receive notice of a Qualifying Bid as soon as reasonably practicable but in no case later than five business days from the date of the Expiration Time.

4. Proration Procedures. All Term Loans offered in Return Bids (or, if applicable, any component bid thereof) constituting Qualifying Bids at the Applicable Threshold Price will be purchased at the Applicable Threshold Price; provided that if the aggregate principal amount of all Term Loans of the applicable Class(es) for which Qualifying Bids have been submitted in any given Auction Purchase Offer at the Applicable Threshold Price would exceed the remaining portion of the Auction Amount (after deducting all Term Loans of the applicable Class (es) to be purchased at prices below the Applicable Threshold Price), the applicable Purchasing Borrower Party shall purchase such Loans ratably based on the relative principal amounts offered by each Lender in an aggregate amount equal to the amount necessary to complete the purchase of the Auction Amount. No Return Bids or any component bid thereof will be accepted above the Applicable Threshold Price.

5. Notification Procedures. The Auction Manager will calculate the Applicable Threshold Price and post the Applicable Threshold Price and proration factor onto an internet or intranet site (including an IntraLinks, SyndTrak or other electronic workspace) in accordance with the Auction Manager's standard dissemination practices by 4:00 p.m. New York City time on the Business Day during which the Expiration Time occurs. The Auction Manager will insert the principal amount of Term Loans of the applicable Class to be assigned and the applicable settlement date into each applicable Affiliated

Assignment and Assumption received in connection with a Qualifying Bid. Upon the request of the submitting Lender, the Auction Manager will promptly return any Affiliated Assignment and Assumption received in connection with a Return Bid that is not a Qualifying Bid.

6. Additional Procedures. Once initiated by an Auction Notice, the applicable Purchasing Borrower Party may withdraw an Auction Purchase Offer only if no Qualifying Bid has been received by the Auction Manager at the time of withdrawal. Any Return Bid (including any component bid thereof) delivered to the Auction Manager may not be withdrawn, modified, revoked, terminated or canceled by a Lender. However, an Auction Purchase Offer may become void if the conditions to the purchase set forth in Section 2.24 of the First Lien Credit Agreement are not met. The purchase price in respect of each Qualifying Bid for which purchase by such Purchasing Borrower Party is required in accordance with the foregoing provisions shall be paid directly by such Purchasing Borrower Party to the respective assigning Lender on a settlement date as determined jointly by such Purchasing Borrower Party and the Auction Manager (which shall be not later than ten Business Days after the date Return Bids are due). The applicable Purchasing Borrower Party shall execute each applicable Affiliated Assignment and Assumption received in connection with a Qualifying Bid. All questions as to the form of documents and eligibility of Term Loans that are the subject of an Auction Purchase Offer will be determined by the Auction Manager, in consultation with the applicable Purchasing Borrower Party, and their determination will be final and binding so long as such determination is not inconsistent with the terms of Section 2.24 of the First Lien Credit Agreement or this Exhibit C . The Auction Manager's interpretation of the terms and conditions of the offering document, in consultation with the applicable Purchasing Borrower Party, will be final and binding so long as such interpretation is not inconsistent with the terms of Section 2.24 of the First Lien Credit Agreement or this Exhibit C . None of the Administrative Agent, the Auction Manager or any of their Affiliates assumes any responsibility for the accuracy or completeness of the information concerning the applicable Purchasing Borrower Party, the Loan Parties, or any of their Affiliates (whether contained in an offering document or otherwise) or for any failure to disclose events that may have occurred and may affect the significance or accuracy of such information. This Exhibit C shall not require any Purchasing Borrower Party to initiate any Auction Purchase Offers.

EXHIBIT D

[FORM OF] FIRST LIEN GUARANTEE AND COLLATERAL AGREEMENT

THIS FIRST LIEN GUARANTEE AND COLLATERAL AGREEMENT (this " Agreement ") is entered into as of August 20, 2013 among TRINET HR CORPORATION, a California corporation (the " Borrower "), TRINET GROUP, INC., a Delaware corporation (" Holdings "), and the other parties identified as "Grantors" on the signature pages hereto and such other parties that may become Grantors hereunder after the date hereof (together with the Borrower, individually a " Grantor ", and collectively the " Grantors ") and JPMORGAN CHASE BANK, N.A., in its capacity as administrative agent and collateral agent (in such capacity, the " Collateral Agent ") for the Secured Parties.

Reference is made to the First Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement "), among the Borrower, Holdings, the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent. The Lenders have agreed to extend credit to the Borrower subject to the terms and conditions set forth in the Credit Agreement. The obligations of the Lenders to extend such credit are conditioned upon, among other things, the execution and delivery of this Agreement. Holdings and the Subsidiary Loan Parties are affiliates of the Borrower, will derive substantial benefits from the extension of credit to the Borrower pursuant to the Credit Agreement and are willing to execute and deliver this Agreement in order to induce the Lenders to extend such credit. Accordingly, the parties hereto agree as follows:

1. Definitions .

(a) Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement and the following terms shall have the meanings set forth in the UCC (defined below): Accession, Account, Adverse Claim, As-Extracted Collateral, Chattel Paper, Commercial Tort Claim, Consumer Goods, Deposit Account, Document, Electronic Chattel Paper, Equipment, Farm Products, Financial Asset, Fixtures, General Intangible, Goods, Instrument, Inventory, Investment Company Security, Investment Property, Letter-of-Credit Right, Manufactured Home, Money, Proceeds, Securities Account, Security, Securities Account, Software, Supporting Obligation and Tangible Chattel Paper.

(b) The rules of construction specified in Section 1.03 of the Credit Agreement shall apply to this Agreement *mutatis mutandis* . In addition, the following terms shall have the meanings set forth below:

" Account Debtor " means any Person who is or who may become obligated to any Grantor under, with respect to or on account of an Account.

" Borrower " has the meaning assigned to such term in the introductory paragraph to this Agreement.

" Claiming Party " has the meaning assigned to such term in Section 13(b).

" Collateral " has the meaning assigned to such term in Section 3 .

" Commodity Exchange Act " means the Commodity Exchange Act (7 U.S.C. § 1 et seq.).

" Contributing Party " has the meaning assigned to such term in Section 13(b) .

" Copyright License " means any written agreement now or hereafter in effect, granting to any Person any right under any Copyright now or hereafter owned by any Grantor or that such Grantor otherwise has the right to license, or granting any right to any Grantor under any Copyright now or hereafter owned by any Person, or that any other Person now or hereafter otherwise has the right to license and all rights of such Grantor under any such agreement.

" Copyrights " means: (a) all registered United States copyrights in all Works, now existing or hereafter created or acquired, all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Copyright Office, and (b) all renewals thereof.

" Credit Agreement " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Excluded Swap Obligation " means, with respect to any Guarantor and Grantor, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Grantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof), in each case as provided for in this Agreement, is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's or Grantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time the guarantee of such Guarantor or the grant of such security interest by such Grantor, in each case as provided for in this Agreement, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

" Grantors " means Holdings, the Borrower and the Subsidiary Loan Parties.

" Guarantors " means Holdings, the Borrower (except with respect to obligations of the Borrower) and the Subsidiary Loan Parties.

" Holdings " has the meaning assigned to such term in the introductory paragraph to this Agreement.

" Indemnified Amount " has the meaning assigned to such term in Section 13(b) .

" Intellectual Property " means all intellectual and similar property of every kind and nature now owned or hereafter acquired by any Grantor, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, trade secrets, domain names, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

" Issuer " means an issuer of uncertficated Pledged Equity.

" Patent License " means any written agreement, now or hereafter in effect, granting to any Person any right to make, use or sell any invention on which a Patent, owned by any Grantor or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a Patent owned by any other Person, or that any other Person otherwise has the right to license, is in existence, and all rights of any Grantor under any such agreement. " Patents " means (a) all letters patent of the United States or any other country and all reissues and extensions thereof, and (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof.

" Pledged Equity " means, with respect to each Grantor:

(a) 100% of the issued and outstanding Equity Interests of each Significant Domestic Subsidiary (other than a CFC Holding Company) of each Grantor that is directly owned by such Grantor, (b) except as provided in the following clause (c), 65% of the outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and 100% of the outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) in each Significant Foreign Subsidiary that is a CFC or each Significant Domestic Subsidiary that is a CFC Holding Company of each Grantor that is directly owned by such Grantor, and (c) 100% of the issued and outstanding Equity Interests of each Significant Foreign Subsidiary of each Grantor that is directly owned by such Grantor and that is a Pass-Through Foreign Subsidiary, including the Equity Interests of the Subsidiaries owned by such Grantor as set forth on Schedule 3 of the Perfection Certificate, in each case together with the certificates (or other agreements or instruments), if any, representing such shares, and all options and other rights, contractual or otherwise, with respect thereto, including the following:

(1) all Equity Interests representing a dividend thereon, or representing a distribution or return of capital upon or in respect thereof, or resulting from a stock split, revision, reclassification or other exchange

therefor, and any subscriptions, warrants, rights or options issued to the holder thereof, or otherwise in respect thereof; and

(2) subject to the limitations in clauses (a) through (c) of the definition hereof, in the event of any consolidation or merger involving the issuer thereof and in which such issuer is not the surviving Person, all shares of each class of the Equity Interests of the successor Person formed by or resulting from such consolidation or merger, to the extent that such successor Person is a direct Significant Domestic Subsidiary of a Grantor (that is not a CFC Holding Company) or, if such successor Person is a direct Significant Foreign Subsidiary of a Grantor, 65% of all shares of each class of the Equity Interests of such successor Person formed by or resulting from such consolidation or merger in the case of a CFC or CFC Holding Company and 100% of all shares of each class of the Equity Interests of such successor Person that is a Pass-Through Foreign Subsidiary.

" Pledged Securities " means any promissory notes, stock certificates, unit certificates, or other securities now or hereafter included in the Collateral, including all certificates, instruments or other documents representing or evidencing any Collateral.

" Qualified ECP Guarantor " means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding $10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes or would become effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section la(18)(A)(v)(II) of the Commodity Exchange Act.

" Subsidiary Loan Parties " means (a) the Subsidiaries party to this Agreement on the Closing Date and (b) each other Subsidiary that becomes a party to this Agreement after the Closing Date.

" Swap Obligation " means, with respect to any Guarantor or Grantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

" Trademark License " means any written agreement, now or hereafter in effect, granting to any Person any right to use any Trademark owned by any Grantor or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any Trademark owned by any other Person or that any other Person otherwise has the right to license, and all rights of any Grantor under any such agreement.

" Trademarks " means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now

existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof, or otherwise and (b) all renewals thereof.

" UCC " means the Uniform Commercial Code as in effect from time to time in the state of New York except as such term may be used in connection with the perfection of the Collateral and then the applicable jurisdiction with respect to such affected Collateral shall apply.

" Work " means any work that is subject to copyright protection pursuant to Title 17 of the United States Code.

2. Guarantee .

(a) Guarantee . Each Guarantor irrevocably and unconditionally guarantees to each of the Secured Parties, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment and performance of the Obligations (it being understood and agreed that, notwithstanding anything to the contrary set forth herein, the foregoing guarantee does not include a guarantee by any Guarantor of Obligations to the extent constituting Excluded Swap Obligations of such Guarantor). Each Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any Obligation. Each Guarantor waives presentment to, demand of payment from and protest to the Borrower or any other Loan Party of any of the Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment.

(b) Guarantee of Payment; Continuing Guarantee . Each Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment when due (whether or not any bankruptcy, insolvency, receivership or other similar proceeding shall have stayed the accrual of collection of any of the Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by the Collateral Agent or any other Secured Party to any security held for the payment of the Obligations or to any balance of any deposit account or credit on the books of the Collateral Agent or any other Secured Party in favor of the Borrower, any other party, or any other Person. Each Guarantor agrees that its guarantee hereunder is continuing in nature and, subject to the parenthetical in the first sentence of Section 2(a) , applies to all Obligations, whether currently existing or hereafter incurred.

(c) No Limitations .

(i) Except for the termination or release of a Guarantor's obligations hereunder as expressly provided in Section 9.14 of the Credit Agreement, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations, any impossibility in the performance of the Obligations, or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by (A) the failure of the Collateral Agent or any other Secured Party to assert any claim or demand or to enforce any right or remedy under the provisions of any Loan Document or otherwise; (B) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Loan Document or any other agreement, including with respect to any other Guarantor under this Agreement; (C) the release of, or any impairment of or failure to perfect any Lien on or security interest in, any security held by the Collateral Agent or any other Secured Party for any of the Obligations; (D) any default, failure or delay, wilful or otherwise, in the performance of any of the Obligations; or (E) any other act or omission that may or might in any manner or to any extent vary the risk of any Guarantor or otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of all the Obligations). Each Guarantor expressly authorizes the Secured Parties to take and hold security for the payment and performance of the Obligations, to exchange, waive or release any or all such security (with or without consideration), to enforce or apply such security and direct the order and manner of any sale thereof in their sole discretion or to release or substitute any one or more other guarantors or obligors upon or in respect of the Obligations, all without affecting the obligations of any Guarantor hereunder.

(ii) To the fullest extent permitted by applicable law, each Guarantor waives any defense based on or arising out of any defense of the Borrower or any other Loan Party or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Loan Party, other than the indefeasible payment in full in cash of all the Obligations. The Collateral Agent and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Obligations, make any other accommodation with the Borrower or any other Loan Party or exercise any other right or remedy available to them against the Borrower or any other Loan Party, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the

Obligations have been indefeasibly paid in full in cash. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other Loan Party, as the case may be, or any security.

(d) Reinstatement . Each Guarantor agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Collateral Agent or any other Secured Party upon the bankruptcy, insolvency, dissolution, liquidation or reorganization of the Borrower, any other Loan Party or otherwise.

(e) Agreement to Pay; Subrogation . In furtherance of the foregoing and not in limitation of any other right that the Collateral Agent or any other Secured Party has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Loan Party to pay any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Collateral Agent for distribution to the applicable Secured Parties in cash the amount of such unpaid Obligation guaranteed by such Guarantor pursuant to this Agreement. Upon payment by any Guarantor of any sums to the Collateral Agent as provided above, all rights of such Guarantor against the Borrower or any other Loan Party arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Section 13 .

(f) Information . Each Guarantor (i) assumes all responsibility for being and keeping itself informed of the Borrower's and each other Loan Party's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and (ii) agrees that none of the Collateral Agent or the other Secured Parties will have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

(g) Keepwell . Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Grantor to honor all of its obligations under this Agreement in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 2 (g) for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 2(g) or otherwise under this Agreement voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount).

The obligations of each Qualified ECP Guarantor under this Section 2(g) shall remain in full force and effect until the indefeasible payment in full in cash of all the Obligations. Each Qualified ECP Guarantor intends that this Section 2(g) constitute, and this Section 2(g) shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section la(18)(A)(v)(II) of the Commodity Exchange Act.

3. Pledge and Grant of Security Interest in the Collateral . To secure the prompt payment and performance in full when due, whether by lapse of time, acceleration, mandatory prepayment or otherwise, of the Obligations, each Grantor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a continuing security interest in any and all right, title and interest of such Grantor in and to all of the following, whether now owned or existing or owned, acquired, or arising hereafter (collectively, the " Collateral "): (a) all Accounts; (b) all Chattel Paper; (c) those certain Commercial Tort Claims set forth on Schedule 2(c) hereto; (d) all Copyrights; (e) all Copyright Licenses; (f) all Deposit Accounts; (g) all Documents; (h) all Equipment; (i) all Fixtures; (j) all General Intangibles; (k) all Goods; (1) all Instruments; (m) all Inventory; (n) all Investment Property; (o) all Letter-of-Credit Rights and all Letters of Credit; (p) all Money; (q) all Patents; (r) all Patent Licenses; (s) all Pledged Equity; (t) all Software; (u) all Supporting Obligations; (v) all Trademarks; (w) all Trademark Licenses; and (x) all Accessions and all Proceeds of any and all of the foregoing. Notwithstanding anything to the contrary contained herein, the security interests granted under this Agreement shall not extend to (and the term "Collateral" shall not include) Excluded Assets; provided , that in the event of the termination or elimination of any prohibition described in the definition of "Excluded Assets" in the Credit Agreement or in the requirement for any consent contained in any applicable law, contract, lease, instrument, permit, license, authorization or other agreement or asset, to the extent sufficient to permit any of the assets described in such definition to become Collateral hereunder, or upon the grant of any such consent, or waiver or termination of any requirement for such consent, a security interest in such contract, lease, instrument, permit, license, authorization or other agreement or asset shall be automatically and simultaneously granted hereunder and shall be included as Collateral hereunder. The Grantors and the Collateral Agent, on behalf of the Secured Parties, hereby acknowledge and agree that (i) the security interest created hereby in the Collateral constitutes continuing collateral security for all of the Obligations, whether now existing or hereafter arising, and (ii) no security interest shall be granted in United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law.

4. Representations and Warranties . Each Grantor hereby represents and warrants to the Collateral Agent, for the benefit of the Secured Parties, that:

(a) Ownership . Each Grantor is the legal and beneficial owner of its Collateral and has the right to pledge, sell, assign or transfer the same. There exists no adverse claim with respect to the Pledged Equity of such Grantor.

(b) Security Interest/Priority . This Agreement creates a valid security interest in favor of the Collateral Agent, for the benefit of the Secured Parties, in the Collateral of such Grantor and, when properly perfected by filing under local perfection requirements or possession, as applicable, shall constitute a valid and perfected, first priority security interest in such Collateral (including all uncertificated Pledged Equity consisting of partnership or limited liability company interests that do not constitute Securities), to the extent such security interest can be perfected by filing under the UCC, free and clear of all Liens except for Liens permitted under Section 6.02 of the Credit Agreement and, as to priority, having a first priority security interest except for Liens permitted under Section 6.02 of the Credit Agreement that have priority as a matter of law or contract. The taking possession by the Collateral Agent of the certificated securities (if any) evidencing the Pledged Equity and all other Instruments constituting Collateral will perfect and establish the first priority of the Collateral Agent's security interest in all the Pledged Equity evidenced by such certificated securities and such Instruments other than local law perfection requirements in connection with Pledged Equity of Foreign Subsidiaries.

(c) Types of Collateral . None of the Collateral consists of, or is the Proceeds of, As-Extracted Collateral, Consumer Goods, Farm Products, Manufactured Homes or standing timber.

(d) Accounts . (i) Each Account of the Grantors and the papers and documents relating thereto are genuine and in all material respects what they purport to be, (ii) each Account arises out of (A) a bona fide sale of goods sold and delivered by such Grantor (or is in the process of being delivered) or (B) services theretofore actually rendered by such Grantor to, the Account Debtor named therein, (iii) no Account of a Grantor is evidenced by any Instrument or Chattel Paper unless such Instrument or Chattel Paper, to the extent requested by the Collateral Agent, has been endorsed over and delivered to, or submitted to the control of, the Collateral Agent, (iv) except as disclosed on Schedule 6.02 to the Disclosure Letter, no surety bond was required or given in connection with any Account of a Grantor or the contracts or purchase orders out of which they arose and (v) the right to receive payment under each Account is assignable.

(e) Equipment and Inventory . With respect to any Equipment and/or Inventory of a Grantor, each such Grantor has exclusive possession and control of such Equipment and Inventory of such Grantor except for (i) Equipment leased by such Grantor as a lessee and (ii) Equipment or Inventory in transit with common carriers, at a customer location or computers and other mobile equipment in the possession or control of directors, officers, employees, consultants or other agents of such Grantor. No material Inventory of a Grantor is held by a Person other than a Grantor pursuant to consignment, sale or return, sale on approval or similar arrangement.

(f) Pledged Equity . All Pledged Equity is duly authorized and validly issued, is fully paid and, to the extent applicable, nonassessable and is not subject

to the preemptive rights, warrants, options or other rights to purchase of any Person, or equityholder, voting trust or similar agreements outstanding with respect to, or property that is convertible, into, or that requires the issuance and sale of, any of the Pledged Equity.

(g) No Other Equity Interests, Instruments, Etc . As of the Closing Date, (i) no Grantor owns any certificated Equity Interests in any Subsidiary that are required to be pledged and delivered to the Collateral Agent hereunder or pursuant to the Collateral and Guarantee Requirement except as set forth on Schedule 3 of the Perfection Certificate delivered as of the Closing Date, (ii) no Grantor holds any Instruments, Documents or Tangible Chattel Paper required to be pledged and delivered to the Collateral Agent pursuant to Section 5(a)(i) of this Agreement other than as set forth on Schedule 5 of the Perfection Certificate delivered as of the Closing Date and (iii) all such certificated securities, Instruments, Documents and Tangible Chattel Paper have been delivered to the Collateral Agent other than with respect to Pledged Equity of Foreign Subsidiaries.

(h) Partnership and Limited Liability Company Interests . Except for the certificated Pledged Equity delivered to the Collateral Agent on or before the Closing Date or any Collateral that constitutes a Security or a Financial Asset held in a Securities Account that, pursuant to the Credit Agreement, is not required to be subject to the control of the Collateral Agent or is an Excluded Account, as of the Closing Date, none of the Collateral (i) by its terms expressly provides that it is a Security governed by Article 8 of the UCC, (ii) is held in a Securities Account that is not either required to be subject to the control of the Collateral Agent or an Excluded Account or (iii) constitutes a Security or a Financial Asset not held in an account that is either subject to the control of the Collateral Agent or an Excluded Account.

(i) Commercial Tort Claims . As of the Closing Date, no Grantor is pursuing any Commercial Tort Claims in which a suit has been filed by such Grantor and such Grantor is seeking damages of $1,000,000 or greater other than as set forth on Schedule 2(c) hereto.

(j) Mergers, Etc . Other than as set forth on Schedule 1(b) of the Perfection Certificate, no Grantor has been party to a merger, consolidation or other change in structure or used any tradename in the prior five years.

(k) Consents: Etc . There are no restrictions in any Organizational Document governing any Pledged Equity or any other document related thereto which would limit or restrict (i) the grant of a Lien pursuant to this Agreement on such Pledged Equity, (ii) the perfection of such Lien or (iii) the exercise of remedies in respect of such perfected Lien in the Pledged Equity as contemplated by this Agreement other than restrictions applicable under securities laws and local law restrictions with respect to Pledged Equity of Foreign Subsidiaries. Except for (A) the filing or recording of UCC financing statements, (B) the filing

of appropriate notices with the United States Patent and Trademark Office and the United States Copyright Office, (C) obtaining control to perfect the Liens created by this Agreement (to the extent required under Section 5(a) hereof), (D) such actions as may be required by laws affecting the offering and sale of securities, (E) consents, authorizations, filings or other actions which have been obtained or made and (F) such actions as may be required by local laws governing the Pledged Equity of Foreign Subsidiaries, no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority and no consent of any other Person (including any stockholder, member or creditor of such Grantor), is required for (x) the grant by such Grantor of the security interest in the Collateral granted hereby or for the execution, delivery or performance of this Agreement by such Grantor, (y) the perfection of such security interest (to the extent such security interest can be perfected by filing under the UCC, the granting of control (to the extent required under Section 5 (a) hereof) or by filing an appropriate notice with the United States Patent and Trademark Office or the United States Copyright Office) or (z) the exercise by the Collateral Agent or the Secured Parties of the rights and remedies provided for in this Agreement (other than such actions as may be required under applicable securities laws in connection with the resale of any such Pledged Equity).

(l) Copyrights, Patents and Trademarks .

(i) To the best of each Grantor's knowledge, each material Copyright, Patent and Trademark of such Grantor is valid, subsisting, unexpired, enforceable and has not been abandoned (except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium or similar laws affecting the enforcement of any creditor's rights, generally and by general principles of equity (regardless of whether enforcement is considered in a proceeding in law or equity));

(ii) To the best of each Grantor's knowledge, no holding, decision or judgment has been rendered by any Governmental Authority that would limit, cancel or question the validity of any material Copyright, Patent or Trademark of any Grantor;

(iii) No action or proceeding is pending seeking to limit, cancel or question the validity of any material Copyright, Patent or Trademark of any Grantor, or that, is reasonably likely to have a Material Adverse Effect on the value of any material Copyright, Patent or Trademark of any Grantor;

(iv) All necessary applications pertaining to the material Copyrights, Patents and Trademarks of each Grantor have been duly and properly filed, and all necessary registrations or letters pertaining to such material Copyrights, Patents and Trademarks have been duly and properly filed and issued; and

(v) Except for Liens permitted under Section 6.02 of the Credit Agreement and, with respect to the priority of such Liens, Liens permitted under Section 6.02 of the Credit Agreement that have priority as a matter of law or contract, no Grantor has made any assignment or agreement in conflict with the security interest in the material Copyrights, Patents or Trademarks of any Grantor hereunder.

5. Covenants . Each Grantor covenants that until such time as the Obligations arising under the Loan Documents have been paid in full and the Commitments have expired or been terminated, such Grantor shall:

(a) Instruments/Chattel Paper/Pledged Equity/Control .

(i) If any amount in excess of $1,000,000 payable to a Grantor shall be or become evidenced by Tangible Chattel Paper, or if any property constituting Collateral with a value in excess of $1,000,000 shall be stored or shipped subject to a Document, ensure that such Tangible Chattel Paper or Document is either in the possession of such Grantor at all times or, if requested by the Collateral Agent to perfect its security interest in such Collateral, is delivered to the Collateral Agent duly endorsed in a manner satisfactory to the Collateral Agent. Such Grantor at the request of the Collateral Agent shall ensure that any Collateral consisting of Tangible Chattel Paper in excess of $1,000,000 is marked with a legend acceptable to the Collateral Agent indicating the Collateral Agent's security interest in such Tangible Chattel Paper;

(ii) Promptly deliver or cause to be delivered to the Collateral Agent any and all certificates and instruments constituting Pledged Equity (i) on the date hereof, in the case of any certificates and instruments owned by such Grantor on the date hereof, and (ii) in accordance with Section 5.12 of the Credit Agreement, within 60 days after the acquisition thereof (or such longer period as the Administrative Agent, may agree to in writing) as required under the Credit Agreement, in the case of any such certificates and instruments acquired by such Grantor after the date hereof, in each case to the extent such delivery is required by the Collateral and Guarantee Requirement. Prior to delivery to the Collateral Agent, all such certificates and instruments constituting Pledged Equity shall be held in trust by such Grantor for the benefit of the Collateral Agent pursuant hereto. All such certificates and instruments representing Pledged Equity shall be delivered in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, substantially in the form provided in Exhibit 5(a)(ii) hereto; and

(iii) Cause (A) all Indebtedness for borrowed money owed to such Grantor by the Borrower or any Subsidiary and (B) all Indebtedness for borrowed money in a principal amount of $1,000,000 or more owed to such Grantor by any other Person to be evidenced by a duly executed

promissory note that is delivered to the Collateral Agent (x) on the date hereof, in the case of any such promissory note existing on the date hereof, and (y) promptly after the acquisition thereof (and, in any event, as required under the Credit Agreement (including Schedule 5.15 thereto)), in the case of any such promissory note acquired by such Grantor after the date hereof.

(iv) Execute and deliver all agreements, assignments, instruments or other documents as reasonably requested by the Collateral Agent for the purpose of obtaining and maintaining control with respect to any Collateral consisting of (A) Deposit Accounts (other than Excluded Accounts), (B) Investment Property, (C) Electronic Chattel Paper and (D) Letter-of-Credit Rights, as required by the Collateral and Guarantee Requirement; and

(v) If an Issuer (or if such Grantor at any time becomes an Issuer), upon the occurrence and during the continuance of an Event of Default, comply without further consent by any other Person with any written instructions (within the meaning of Section 8-106(c) of the UCC) originated by the Collateral Agent relating to the Equity Interests of such Issuer of which any other Person is the owner, and after receipt of such instructions from the Collateral Agent and until such instructions are rescinded in writing by the Collateral Agent or this Agreement is terminated in accordance with Section 9.14 of the Credit Agreement, such Grantor shall not comply with any instructions issued by any Grantor or any other person (other than the Collateral Agent);

(b) Filing of Financing Statements, Notices, etc . Execute and deliver to the Collateral Agent such agreements, assignments or instruments (including affidavits, notices, reaffirmations and amendments and restatements of existing documents, as the Collateral Agent may reasonably request) and do all such other things as the Collateral Agent may reasonably deem necessary or appropriate (i) to assure to the Collateral Agent its security interests hereunder are perfected and maintained, including (A) such instruments as the Collateral Agent may from time to time reasonably request in order to perfect and maintain the security interests granted hereunder in accordance with the UCC, (B) with regard to Patents, a Notice of Grant of Security Interest in Patents for filing with the United States Patent and Trademark Office in the form of Exhibit 5(b)(i) hereto, (C) with regard to Trademarks, a Notice of Grant of Security Interest in Trademarks for filing with the United States Patent and Trademark Office in the form of Exhibit 5(b)(ii) hereto and (D) with regard to Copyrights, a Notice of Grant of Security Interest in Copyrights in the form of Exhibit 5(b)(iii) and (ii) to otherwise protect and assure the Collateral Agent of its rights and interests hereunder. Furthermore, each Grantor also hereby irrevocably makes, constitutes and appoints the Collateral Agent, its nominee or any other person whom the Collateral Agent may designate, as such Grantor's attorney in fact with full power and for the limited purpose to sign in the name of such Grantor any financing statements, or amendments and

supplements to financing statements, renewal financing statements, notices or any similar documents which in the Collateral Agent's reasonable discretion would be necessary or appropriate in order to perfect and maintain perfection of the security interests granted hereunder, such power, being coupled with an interest, being and remaining irrevocable until such time as the Loan Document Obligations have been paid in full and the Commitments have expired or been terminated;

(c) Treatment of Accounts . Not grant or extend the time for payment of any Account, or compromise or settle any Account for less than the full amount thereof, or release any person or property, in whole or in part, from payment thereof, or allow any credit or discount thereon, other than as normal and customary in the ordinary course of a Grantor's business, as permitted by the Credit Agreement or as required by law;

(d) Commercial Tort Claims . (i) Promptly notify the Collateral Agent in writing of the initiation of any Commercial Tort Claims by or in favor of such Grantor seeking damages in excess of $1,000,000 and promptly after such notification forward to the Collateral Agent an updated Schedule 2(c) hereto and (ii) execute and deliver such statements, documents and notices and do and cause to be done all such things as may be reasonably required by the Collateral Agent, or required by law to create, preserve, perfect and maintain the Collateral Agent's security interest in any Commercial Tort Claims initiated by or in favor of any Grantor;

(e) Other Liens . Use commercially reasonable efforts to defend the Collateral against Liens except for Liens permitted under Section 6.02 of the Credit Agreement that have priority as a matter of law or contract, or under Section 6.02 of the Credit Agreement, that are permitted to have priority;

(f) Insurance . Insure, repair and replace the Collateral of such Grantor as set forth in the Credit Agreement;

(g) Issuance or Acquisition of Equity Interests . To the extent any Pledged Equity in any limited liability company or limited partnership controlled now or in the future by such Grantor and pledged hereunder is a "security" within the meaning of Article 8 of the UCC and is governed by Article 8 of the UCC, cause such interest to be certificated and such Grantor agrees that each such interest shall at all times hereafter continue to be such a security and represented by such certificate. Each Grantor further acknowledges and agrees that with respect to any interest in any limited liability company, limited partnership or corporation controlled now or in the future by such Grantor and pledged hereunder that is not a "security" within the meaning of Article 8 of the UCC, such Grantor shall at no time elect to treat any such interest as a "security" within the meaning of Article 8 of the UCC, nor shall such interest be represented by a certificate, unless such Grantor provides prior written notification to the Collateral Agent of such election and such interest is thereafter represented by a certificate that is promptly delivered to the Collateral Agent pursuant to the terms hereof.

(h) Intellectual Property .

(i) Not do any act or knowingly omit to do any act whereby any material Copyright may become invalidated and (A) not do any act, or knowingly omit to do any act, whereby any material Copyright may become injected into the public domain; (B) notify the Collateral Agent promptly if it knows that any material Copyright may become injected into the public domain or of any materially adverse determination or development (including the institution of, or any such determination or development in, any court or tribunal in the United States or any other country) regarding a Grantor's ownership of any such material Copyright or its validity; (C) take all commercially reasonable steps as it shall deem appropriate under the circumstances, to maintain and pursue each application (and to obtain the relevant registration) of each material Copyright owned by a Grantor and to maintain each registration of each material Copyright owned by a Grantor including filing of applications for renewal where necessary; and (D) promptly notify the Collateral Agent of any infringement of any material Copyright of a Grantor of which it becomes aware and take such commercially reasonable actions as it shall reasonably deem appropriate under the circumstances to protect such material Copyright, including, where deemed appropriate by such Grantor in its commercially reasonable discretion, the bringing of suit for infringement, seeking injunctive relief and seeking to recover any and all damages for such infringement;

(ii) Not make any assignment or agreement in conflict with the security interest in the Copyrights of each Grantor hereunder, except for Dispositions, Liens and licenses permitted under the Credit Agreement;

(iii) Continue to (A) use each material Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such material Trademark in full force free from any claim of abandonment for non-use, (B) maintain as in the past the quality of products and services offered under such material Trademark, (C) employ such material Trademark with the appropriate notice of registration, if applicable, (D) not adopt or use any mark that is confusingly similar or a colorable imitation of such material Trademark unless the Collateral Agent, for the benefit of the Secured Parties, shall obtain a perfected security interest in such mark pursuant to this Agreement, and (E) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any such material Trademark may become invalidated, other than in each case, any such action in connection with any Disposition of a Trademark permitted under the Credit Agreement;

(iv) Not do any act, or omit to do any act, whereby any material Patent may become abandoned or dedicated to the public, except to the extent permitted under the Credit Agreement;

(v) Promptly notify the Collateral Agent if it knows that any application or registration relating to any material Patent or Trademark may become abandoned or dedicated to the public, or of any materially adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court or tribunal in any country) regarding such Grantor ownership of any material Patent or Trademark or its right to register the same or to keep and maintain the same, except in connection with a Disposition permitted under the Credit Agreement;

(vi) Take all commercially reasonable and necessary steps, including in any proceeding before the United States Patent and Trademark Office, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of each material Patent and Trademark, including filing of applications for renewal, affidavits of use and affidavits of incontestability, except to the extent such Grantor reasonably determined to Dispose of such Patent or Trademark;

(vii) Promptly notify the Collateral Agent after it learns that any material Patent or Trademark included in the Collateral is infringed, misappropriated or diluted by a third party and, to the extent determined commercially reasonable by such Grantor, promptly sue for infringement, misappropriation or dilution, to seek injunctive relief where deemed appropriate in such Grantor's commercially reasonable judgment, and to recover any and all damages for such infringement, misappropriation or dilution, or to take such other actions as it shall reasonably deem appropriate under the circumstances to protect such material Patent or Trademark;

(viii) For each Deposit Account (other than Excluded Accounts) that any Grantor at any time opens or maintains, either (i) cause the depositary bank to agree to comply with instructions from the Collateral Agent to such depositary bank directing the disposition of funds from time to time credited to such deposit account, without further consent of such Grantor or any other Person, pursuant to an agreement reasonably satisfactory to the Collateral Agent, or (ii) arrange for the Collateral Agent to become the customer of the depositary bank with respect to such Deposit Account, with the Grantor being permitted, only with the consent of the Collateral Agent, to exercise rights to withdraw funds from such deposit account. The Collateral Agent agrees with each Grantor that the Collateral Agent shall not give any such instructions or withhold any

withdrawal rights from any Grantor unless an Event of Default has occurred and is continuing or, after giving effect to any withdrawal would occur, provided that the provisions of this paragraph shall not apply to any Deposit Account for which any Grantor, the depositary bank and the Collateral Agent have entered into a cash collateral agreement specially negotiated among such Grantor, the depositary bank and the Collateral Agent for the specific purpose set forth therein;

(ix) In the event that any securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by any Grantor are held by such Grantor or its nominee through a securities intermediary or commodity intermediary (other than any securities held in an Excluded Account), promptly notify the Collateral Agent thereof and, at the Collateral Agent's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (i) cause such securities intermediary or commodity intermediary, as the case may be, to agree to comply with entitlement orders or other instructions from the Collateral Agent to such securities intermediary as to such security entitlements or to apply any value distributed on account of any commodity contract as directed by the Collateral Agent to such commodity intermediary, as the case may be, in each case without further consent of any Grantor, such nominee, or any other Person, or (ii) in the case of Financial Assets or other Investment Property held through a securities intermediary, arrange for the Collateral Agent to become the entitlement holder with respect to such Investment Property, with the Grantor being permitted, only with the consent of the Collateral Agent, to exercise rights to withdraw or otherwise deal with such Investment Property; the Collateral Agent agrees with each of the Grantors that the Collateral Agent shall not give any such entitlement orders or instructions or directions to any such issuer, securities intermediary or commodity intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by any Grantor, unless an Event of Default has occurred and is continuing, or, after giving effect to any such investment and withdrawal rights, would occur, in each case to the extent required by the Collateral and Guarantee Requirement; and

(x) Not make any assignment or agreement in conflict with the security interest in the Patents or Trademarks of each Grantor hereunder (except as permitted by the Credit Agreement).

6. Authorization to File Financing Statements . Each Grantor hereby authorizes the Collateral Agent to prepare and file such financing statements (including continuation statements) or amendments thereof or supplements thereto or other instruments as the Collateral Agent may from time to time deem necessary or appropriate, and in such jurisdictions as the Collateral Agent may from time to time deem necessary or appropriate, in order to perfect and maintain the security interests granted

hereunder in accordance with the UCC (including authorization to describe the Collateral as "all personal property", "all assets" or words of similar meaning).

7. Advances . On failure of any Grantor to perform any of the covenants and agreements contained herein, the Collateral Agent may, at its sole option and in its sole discretion, perform the same and in so doing may expend such sums as the Collateral Agent may reasonably deem advisable in the performance thereof (including the payment of any insurance premiums, the payment of any taxes, a payment to obtain a release of a Lien or potential Lien, expenditures made in defending against any adverse claim and all other expenditures which the Collateral Agent may make for the protection of the security hereof or which may be compelled to make by operation of law). All such sums and amounts so expended shall be repayable by the Grantors on a joint and several basis promptly upon timely notice thereof and demand therefor, shall constitute additional Obligations and shall bear interest from the date said amounts are expended at the interest rate set forth in Section 2.13(c) of the Credit Agreement. No such performance of any covenant or agreement by the Collateral Agent on behalf of any Grantor, and no such advance or expenditure therefor, shall relieve the Grantors of any Default or Event of Default. The Collateral Agent may make any payment hereby authorized in accordance with any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien, title or claim except to the extent such payment is being contested in good faith by a Grantor in appropriate proceedings and against which adequate reserves are being maintained in accordance with GAAP.

8. Remedies .

(a) General Remedies . Upon the occurrence of an Event of Default and during continuation thereof, the Collateral Agent shall have, in addition to the rights and remedies provided herein, in the Loan Documents, in any other documents relating to the Obligations, or by law (including levy of attachment, garnishment and the rights and remedies set forth in the UCC of the jurisdiction applicable to the affected Collateral), the rights and remedies of a secured party under the UCC (regardless of whether the UCC is the law of the jurisdiction where the rights and remedies are asserted and regardless of whether the UCC applies to the affected Collateral), and further, the Collateral Agent may, with or without judicial process or the aid and assistance of others, in accordance with local laws (i) enter on any premises on which any of the Collateral may be located and, without resistance or interference by the Grantors, take possession of the Collateral, (ii) dispose of any Collateral on any such premises, (iii) require the Grantors to assemble and make available to the Collateral Agent at the expense of the Grantors any Collateral at any place and time designated by the Collateral Agent which is reasonably convenient to both parties, (iv) remove any Collateral from any such premises for the purpose of effecting sale or other disposition thereof and/or (v) without demand and without advertisement, notice, hearing or process of law, all of which each of the Grantors hereby waives to the fullest extent permitted by law, at any place and time or times, sell and deliver any or all

Collateral held by or for it at public or private sale (which in the case of a private sale of Pledged Equity, shall be to a restricted group of purchasers who will be obligated to agree, among other things, to acquire such securities for their own account, for investment and not with a view to the distribution or resale thereof), at any exchange or broker's board or elsewhere, by one or more contracts, in one or more parcels, for Money, upon credit or otherwise, at such prices and upon such terms as the Collateral Agent deems advisable, in its sole discretion (subject to any and all mandatory legal requirements). Each Grantor acknowledges that any such private sale may be at prices and on terms less favorable to the seller than the prices and other terms which might have been obtained at a public sale and, notwithstanding the foregoing, agrees that such private sale shall be deemed to have been made in a commercially reasonable manner and, in the case of a sale of Pledged Equity, that the Collateral Agent shall have no obligation to delay sale of any such securities for the period of time necessary to permit the issuer of such securities to register such securities for public sale under the Securities Act. Neither the Collateral Agent's compliance with applicable law nor its disclaimer of warranties relating to the Collateral shall be considered to adversely affect the commercial reasonableness of any sale. To the extent the rights of notice cannot be legally waived hereunder, each Grantor agrees that any requirement of reasonable notice shall be met if such notice, specifying the place of any public sale or the time after which any private sale is to be made, is personally served on or mailed, postage prepaid, to the Borrower in accordance with the notice provisions of Section 9.01 of the Credit Agreement at least 10 days before the time of sale or other event giving rise to the requirement of such notice. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor further acknowledges and agrees that any offer to sell any Pledged Equity which has been (i) publicly advertised on a bona fide basis in a newspaper or other publication of general circulation in the financial community of New York, New York (to the extent that such offer may be advertised without prior registration under the Securities Act), or (ii) made privately in the manner described above shall be deemed to involve a "public sale" under the UCC, notwithstanding that such sale may not constitute a "public offering" under the Securities Act, and the Collateral Agent may, in such event, bid for the purchase of such securities. The Collateral Agent shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. To the extent permitted by applicable law, any holder of the Obligations may be a purchaser at any such sale. To the extent permitted by applicable law, each of the Grantors hereby waives all of its rights of redemption with respect to any such sale. Subject to the provisions of applicable law, the Collateral Agent may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, to the extent permitted by law, be made at the time and place to which the sale was postponed, or the Collateral Agent may further postpone such sale by announcement made at such time and place.

(b) Remedies Relating to Accounts . Upon the occurrence of an Event of Default and during continuation thereof (but only upon exercise by the Collateral Agent of any or all of its rights and remedies hereunder), (i) each Grantor will promptly upon request of the Collateral Agent instruct all account debtors to remit all payments in respect of Accounts to a mailing location selected by the Collateral Agent and (ii) the Collateral Agent shall have the right to enforce any Grantor's rights against its customers and account debtors, and the Collateral Agent or its designee may notify any Grantor's customers and account debtors that the Accounts of such Grantor have been assigned to the Collateral Agent or of the Collateral Agent's security interest therein, and may (either in its own name or in the name of a Grantor or both) demand, collect (including by way of a lockbox arrangement), receive, take receipt for, sell, sue for, compound, settle, compromise and give acquittance for any and all amounts due or to become due on any Account, and, in the Collateral Agent's discretion, file any claim or take any other action or proceeding to protect and realize upon the security interest of the Collateral Agent in the Accounts. Each Grantor acknowledges and agrees that the Proceeds of its Accounts remitted to or on behalf of the Collateral Agent in accordance with the provisions hereof shall be solely for the Collateral Agent's own convenience and that such Grantor shall not have any right, title or interest in such Accounts or in any such other amounts except as expressly provided herein. Neither the Collateral Agent nor any other holder of the Obligations shall have any liability or responsibility to any Grantor for acceptance of a check, draft or other order for payment of money bearing the legend "payment in full" or words of similar import or any other restrictive legend or endorsement or be responsible for determining the correctness of any remittance. Furthermore, during the continuation of an Event of Default, (i) the Collateral Agent shall have the right, but not the obligation, to make test verifications of the Accounts in any manner and through any medium that it reasonably considers advisable, and the Grantors shall furnish all such assistance and information as the Collateral Agent may require in connection with such test verifications and (ii) the Collateral Agent in its own name or in the name of others may communicate with account debtors on the Accounts to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any Accounts.

(c) Access . In addition to the rights and remedies hereunder, upon the occurrence of an Event of Default and during the continuance thereof, to the extent permitted by local laws, the Collateral Agent shall have the right to enter and remain upon the various premises of the Grantors without cost or charge to the Collateral Agent, and use the same, together with materials, supplies, books and records of the Grantors for the purpose of collecting and liquidating the Collateral, or for preparing for sale and conducting the sale of the Collateral, whether by foreclosure, auction or otherwise. In addition, the Collateral Agent may remove Collateral, or any part thereof, from such premises and/or any records, to the extent permitted by local laws, with respect thereto, in order to effectively collect or liquidate such Collateral.

(d) Nonexclusive Nature of Remedies . Failure by the Collateral Agent or any other holder of the Obligations to exercise any right, remedy or option under this Agreement, any other Loan Document, any other document relating to the Obligations, or as provided by law, or any delay by the Collateral Agent or any other holder of the Obligations in exercising the same, shall not operate as a waiver of any such right, remedy or option. No waiver hereunder shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated, which in the case of the Collateral Agent or any other holder of the Obligations shall only be granted as provided herein. To the extent permitted by law, neither the Collateral Agent, any other holder of the Obligations nor any party acting as attorney for any such Person, shall be liable hereunder for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct hereunder. The rights and remedies of the Collateral Agent and the other Secured Parties shall be cumulative and not exclusive of any other right or remedy which any such Person may have.

(e) Retention of Collateral . In addition to the rights and remedies hereunder, the Collateral Agent may, in compliance with Sections 9-620 and 9-621 of the UCC or otherwise complying with the requirements of applicable law of the relevant jurisdiction, accept or retain the Collateral in satisfaction of the Obligations. Unless and until the Collateral Agent shall have provided such notices, however, the Collateral Agent shall not be deemed to have retained any Collateral in satisfaction of any Obligations for any reason.

(f) Deficiency . In the event that the proceeds of any sale, collection or realization are insufficient to pay all amounts to which the Collateral Agent or any other holder of the Obligations is legally entitled, the Grantors shall be jointly and severally liable for the deficiency, together with interest thereon at the rates applicable under the Credit Agreement, together with the costs of collection and the fees, charges and disbursements of counsel. Any surplus remaining after the full payment and satisfaction of the Obligations shall be returned to the Grantors or to whomsoever a court of competent jurisdiction shall determine to be entitled thereto.

9. Rights of the Collateral Agent .

(a) Power of Attorney . In addition to other powers of attorney contained herein, each Grantor hereby designates and appoints the Collateral Agent, on behalf of the Secured Parties and each of its designees or agents, as attorney-in-fact of such Grantor, irrevocably and with power of substitution, with authority to take any or all of the following actions upon the occurrence and during the continuance of an Event of Default:

(i) to demand, collect, settle, compromise, adjust, give discharges and releases, all as the Collateral Agent may reasonably determine;

(ii) to commence and prosecute any actions at any court for the purposes of collecting any Collateral and enforcing any other right in respect thereof;

(iii) to defend, settle or compromise any action brought and, in connection therewith, give such discharge or release as the Collateral Agent may deem reasonably appropriate;

(iv) receive and open mail addressed to a Grantor and endorse checks, notes, drafts, acceptances, money orders, bills of lading, warehouse receipts or other instruments or documents evidencing payment, shipment or storage of the goods giving rise to the Collateral of such Grantor on behalf of and in the name of such Grantor, or securing, or relating to such Collateral;

(v) sell, assign, transfer, make any agreement in respect of, or otherwise deal with or exercise rights in respect of, any Collateral or the goods or services which have given rise thereto, as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes;

(vi) adjust and settle claims under any insurance policy relating to the Collateral;

(vii) execute and deliver all assignments, conveyances, statements, financing statements, renewal financing statements, security agreements, affidavits, notices and other agreements, instruments and documents that the Collateral Agent may determine necessary in order to perfect and maintain the security interests and liens granted in this Agreement and to assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Collateral Agent the rights granted or now or hereafter intended to be granted to the Collateral Agent under this Agreement;

(viii) institute any foreclosure proceedings that the Collateral Agent may deem appropriate;

(ix) to sign and endorse any drafts, assignments, proxies, stock powers, verifications, notices and other documents relating to the Collateral;

(x) to exchange any of the Pledged Equity or other property upon any merger, consolidation, reorganization, recapitalization or other readjustment of the issuer thereof and, in connection therewith, deposit any of the Pledged Equity with any committee, depository, transfer agent, registrar or other designated agency upon such terms as the Collateral Agent may reasonably deem appropriate;

(xi) to vote for a shareholder resolution, or to sign an instrument in writing, sanctioning the transfer of any or all of the Pledged Equity into the name of the Collateral Agent or one or more of the Secured Parties, or into the name of any transferee to whom the Pledged Equity or any part thereof may be sold pursuant to Section 8 hereof;

(xii) to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral:

(xiii) to direct any parties liable for any payment in connection with any of the Collateral to make payment of any and all monies clue and to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct;

(xiv) to receive payment of and receipt for any and all monies, claims, and other amounts due and to become due at any time in respect of or arising out of any Collateral; and

(xv) do and perform all such other acts and things as the Collateral Agent may reasonably deem to be necessary, proper or convenient in connection with the Collateral.

This power of attorney is a power coupled with an interest and shall be irrevocable until such time as the Obligations arising under the Loan Documents have been paid in full and the Commitments have expired or been terminated. The Collateral Agent shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to the Collateral Agent in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. The Collateral Agent shall not be liable for any act or omission or for any error of judgment or any mistake of fact or law in its individual capacity or its capacity as attorney-in-fact except acts or omissions resulting from its gross negligence or willful misconduct. Notwithstanding anything to the contrary contained herein, this power of attorney is conferred on the Collateral Agent solely to protect, preserve and realize upon its security interest in the Collateral.

(b) Assignment by the Collateral Agent . The Collateral Agent may from time to time be replaced by a successor Collateral Agent appointed in accordance with the Credit Agreement, and such successor shall be entitled to all of the rights and remedies of the Collateral Agent under this Agreement.

(c) Liability with Respect to Accounts . Anything herein to the contrary notwithstanding, each of the Grantors shall remain liable under each of the Accounts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Account. Neither the Collateral Agent nor any other holder of the Obligations shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this

Agreement or the receipt by any such Person of any payment relating to such Account pursuant hereto, nor shall any such Person be obligated in any manner to perform any of the obligations of a Grantor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(d) Voting and Payment Rights in Respect of the Pledged Equity .

(i) So long as no Event of Default shall exist, each Grantor may (A) exercise any and all voting and other consensual rights pertaining to the Pledged Equity of such Grantor or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Credit Agreement and (B) receive and retain any and all dividends (other than stock dividends and other dividends constituting Collateral which are addressed hereinabove), principal or interest paid in respect of the Pledged Equity to the extent they are allowed under the Credit Agreement; and

(ii) During the continuance of an Event of Default, (A) all rights of a Grantor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to clause (i)(A) above shall cease and all such rights shall thereupon become vested in the Collateral Agent which shall then have the sole right to exercise such voting and other consensual rights, (B) all rights of a Grantor to receive the dividends, principal and interest payments which it would otherwise be authorized to receive and retain pursuant to clause (i)(B) above shall cease and all such rights shall thereupon be vested in the Collateral Agent which shall then have the sole right to receive and hold as Collateral such dividends, principal and interest payments, and (C) all dividends, principal and interest payments which are received by a Grantor contrary to the provisions of clause (ii)(B) above shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other property or funds of such Grantor, and shall be forthwith paid over to the Collateral Agent as Collateral in the exact form received, to be held by the Collateral Agent as Collateral and as further collateral security for the Obligations.

(e) Releases of Collateral . If any Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Collateral Agent, at the request and sole expense of such Grantor, shall promptly execute and deliver to such Grantor all releases and other documents, and take such other action, reasonably necessary for the release of the Liens created hereby or by any other Security Document on such Collateral.

10. Application of Proceeds . The Collateral Agent shall apply the proceeds of any collection or sale of Collateral, including any Collateral consisting of cash, as follows:

FIRST, to the payment of all costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, any other Loan Document or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Loan Document on behalf of any Grantor and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of the Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Obligations of such Loan Party owed to them on the date of any such distribution); and

THIRD, to the Collateral Agent under the Second Lien Credit Agreement, to be applied to the Second Priority Debt Obligations (as that term is defined in the First Lien/Second Lien Intercreditor Agreement) pursuant to the terms of the Second Lien Collateral Agreement and, if applicable, the First Lien/Second Lien Intercreditor Agreement.

FOURTH, to the Grantors, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof. Notwithstanding the foregoing, the proceeds of any collection or sale of Collateral of any Grantor, including any Collateral consisting of cash, shall not be applied to Excluded Swap Obligations (if any) in respect of such Grantor and shall instead be applied to other Obligations.

11. Continuing Agreement .

(a) This Agreement shall remain in full force and effect until such time as the Loan Document Obligations have been paid in full and the Commitments have expired or been terminated, at which time this Agreement shall be automatically terminated and the Collateral Agent shall, upon the request and at the expense of the Grantors, forthwith release all of its liens and security

interests hereunder and shall authorize the filing of and/or execute and deliver all UCC termination statements and/or other documents reasonably requested by the Grantors evidencing such termination.

(b) This Agreement shall continue to be effective or be automatically reinstated, as the case may be, if at any time payment, in whole or in part, of any of the Obligations is rescinded or must otherwise be restored or returned by the Collateral Agent or any other holder of the Obligations as a preference, fraudulent conveyance or otherwise under any Debtor Relief Law, all as though such payment had not been made; provided that in the event payment of all or any part of the Obligations is rescinded or must be restored or returned, all reasonable costs and expenses (including any reasonable legal fees and disbursements) incurred by the Collateral Agent or any other holder of the Obligations in defending and enforcing such reinstatement shall be deemed to be included as a part of the Obligations.

12. Amendments; Waivers: Modifications, etc . This Agreement and the provisions hereof may not be amended, waived, modified, changed, discharged or terminated except as set forth in Section 9.02(b) of the Credit Agreement; provided that any update or revision to Schedule 2(c) hereof delivered by any Grantor shall not constitute an amendment for purposes of this Section 12 or Section 9.02(b) of the Credit Agreement.

13. Indemnity and Subrogation . (a) Indemnity . In addition to all such rights of indemnity and subrogation as the Guarantors may have under applicable law (but subject to Section 13(c)), Holdings and the Borrower agree, jointly and severally, that (i) in the event a payment in respect of any Obligation shall be made by any Guarantor under this Agreement, Holdings and the Borrower shall indemnify such Guarantor for the full amount of such payment and such Guarantor shall be subrogated to the rights of the Person to whom such payment shall have been made to the extent of such payment and (ii) in the event any assets of any Grantor shall be sold pursuant to this Agreement or any other Security Document to satisfy in whole or in part any Obligation, Holdings and the Borrower shall indemnify such Grantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

(b) Contribution and Subrogation . Each Loan Party (a " Contributing Party ") agrees (subject to Section 13(c)) that, in the event a payment shall be made by any other Guarantor hereunder in respect of any Obligation or assets of any other Grantor (other than Holdings or the Borrower) shall be sold pursuant to any Security Document to satisfy any Obligation and such other Guarantor or Grantor (the " Claiming Party ") shall not have been fully indemnified by the Borrower or Holdings as provided in Section 13(a) , the Contributing Party shall indemnify the Claiming Party in an amount equal to the amount of such payment or the greater of the book value or the fair market value of such assets (the " Indemnified Amount "), as the case may be, in each case multiplied by a fraction of which the numerator shall be the net worth of the Contributing Party on the date hereof and the denominator shall be the aggregate net worth of all the

Guarantors and Grantors on the date hereof (or, in the case of any Guarantor or Grantor becoming a party hereto pursuant to Section 22 , the date of the supplement hereto executed and delivered by such Guarantor or Grantor). Any Contributing Party making any payment to a Claiming Party pursuant to this Section 13(b) shall (subject to Section 13(c)) be subrogated to the rights of such Claiming Party to the extent of such payment. Notwithstanding the foregoing, to the extent that any Claiming Party's right to indemnification hereunder arises from a payment or sale of Collateral made to satisfy Obligations constituting Swap Obligations, only those Contributing Parties for whom such Swap Obligations do not constitute Excluded Swap Obligations shall indemnify such Claiming Party, with the fraction set forth in the second preceding sentence being modified as appropriate to provide for indemnification of the entire Indemnified Amount.

(c) Subordination . (i) Notwithstanding any provision of this Agreement to the contrary, all rights of the Guarantors and Grantors under this Section 13 and all other rights of the Guarantors and Grantors of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the indefeasible payment in full in cash of the Obligations. No failure on the part of the Borrower or any other Guarantor or Grantor to make the payments required by this Section 13 (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Guarantor or Grantor with respect to its obligations hereunder, and each Guarantor and Grantor shall remain liable for the full amount of the obligations of such Guarantor or Grantor hereunder.

(ii) Each Guarantor and Grantor hereby agrees that all Indebtedness and other monetary obligations owed by it to, or to it by, any other Guarantor, Grantor or any other Subsidiary shall be fully subordinated to the indefeasible payment in full in cash of the Obligations.

14. Successors in Interest . This Agreement shall be binding upon each Grantor, its successors and assigns and shall inure, together with the rights and remedies of the Collateral Agent and the other Secured Parties hereunder, to the benefit of the Collateral Agent or any other holder of the Obligations and their successors and permitted assigns.

15. Notices . All notices required or permitted to be given under this Agreement shall be in conformance with Section 9.01(a) of the Credit Agreement.

16. Counterparts . This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Delivery of executed counterparts of this Agreement by facsimile or other electronic means shall be effective as an original.

17. Headings . The headings of the sections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

18. Governing Law; Submission to Jurisdiction; Venue; WAIVER OF JURY TRIAL . The terms of Sections 9.09 and 9.10 of the Credit Agreement with respect to governing law, submission to jurisdiction, venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis* , and the parties hereto agree to such terms.

19. Severability . If any provision of this Agreement is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

20. Entirety . This Agreement, the other Loan Documents and the other documents relating to the Obligations represent the entire agreement of the parties hereto and thereto, and supersede all prior agreements and understandings, oral or written, if any, including any commitment letters or correspondence relating to the Loan Documents, any other documents relating to the Obligations, or the transactions contemplated herein and therein.

21. Other Security . To the extent that any of the Obligations are now or hereafter secured by property other than the Collateral (including real property and securities owned by a Grantor), or by a guarantee, endorsement or property of any other Person, then the Collateral Agent shall have the right to proceed against such other property, guarantee or endorsement upon the occurrence of any Event of Default, and the Collateral Agent shall have the right, in its sole discretion, to determine which rights, security, liens, security interests or remedies the Collateral Agent shall at any time pursue, relinquish, subordinate, modify or take with respect thereto, without in any way modifying or affecting any of them or the Obligations or any of the rights of the Collateral Agent or any other holder of the Obligations under this Agreement, under any other of the Loan Documents or under any other document relating to the Obligations.

22. Additional Subsidiaries . Pursuant to the Credit Agreement, certain Subsidiaries not a party hereto on the Closing Date are required to enter in this Agreement as a Subsidiary Loan Party upon becoming such a Subsidiary. Upon execution and delivery by the Collateral Agent and any such Subsidiary of an instrument in the form of Exhibit 22 hereto, such Subsidiary shall become a Subsidiary Loan Party, a Guarantor and a Grantor hereunder, with the same force and effect as if originally named such herein. The execution and delivery of any such instrument shall not require the consent of any other Loan Party. The rights and obligations of each Loan Party hereunder shall remain in full force and effect notwithstanding the addition of any new Subsidiary Loan Party as a party to this Agreement.

23. Rights of Required Lenders . All rights of the Collateral Agent hereunder, if not exercised by the Collateral Agent, may be exercised by the Required Lenders.

[Signature Pages, Schedules and Exhibits to Follow]

Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

GRANTORS:

TRINET HR CORPORATION,

By:_____
Name:
Title:

TRINET GROUP, INC.

By:_____
Name:
Title:

TRINET HR V, INC.

By:_____
Name:
Title:

ACCORD HUMAN RESOURCES 12, INC.

By:_____
Name:
Title:

ACCORD HUMAN RESOURCES, INC.

By:_____
Name:
Title:

210 PARK AVENUE HOLDING, INC.

By:_____
Name:
Title:

STRATEGIC OUTSOURCING, INC.

By:_____
Name:
Title:

SOI HOLDINGS, INC.

By:_____
Name:
Title:

AMBROSE EMPLOYER GROUP, LLC

By:_____
Name:
Title:

SCHEDULE 2(c)

COMMERCIAL TORT CLAIMS

None

EXHIBIT 5(a)(ii)

IRREVOCABLE STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers to the following Equity Interests of , a corporation:

No. of Shares	Certificate No.

and irrevocably appoints its agent and attorney-in-fact to transfer all or any part of such Equity Interests and to take all necessary and appropriate action to effect any such transfer. The agent and attorney-in-fact may substitute and appoint one or more persons to act for him. The effectiveness of a transfer pursuant to this stock power shall be subject to any and all transfer restrictions referenced on the face of the certificates evidencing such interest or in the certificate of incorporation or bylaws of the subject corporation, to the extent they may from time to time exist.

By: _____
Name: _____
Title: _____

EXHIBIT 5(b)(i)

NOTICE

OF

GRANT OF SECURITY INTEREST

IN

PATENTS

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Guarantee and Collateral Agreement dated as of August 20, 2013 (as the same may be amended, modified, extended or restated from time to time, the " Agreement "), by and among the Grantors party thereto (each a " Grantor " and collectively, the " Grantors ") and JPMORGAN CHASE BANK, N.A., as collateral agent (the " Collateral Agent ") for the Secured Parties referenced therein, the undersigned Grantor has granted a continuing security interest in and continuing lien upon the patents and patent applications shown below to the Collateral Agent, for the ratable benefit of the Secured Parties:

PATENTS

Patent No.	Description of Patent Item	Date of Patent

See Schedule 1 attached hereto

PATENT APPLICATIONS

Patent Applications No.	Description of Patent Applied for	Date of Patent Applications

See Schedule 1 attached hereto

The undersigned Grantor and the Collateral Agent, on behalf of the Secured Parties, hereby acknowledge and agree that the security interest in the foregoing patents and patent applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any patent or patent application.

Very truly yours,

_____
[Grantor]

By: _____
Name: _____
Title: _____

Acknowledged and Accepted:

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent

By: _____
Name: _____
Title: _____

EXHIBIT 5(b)(ii)

NOTICE

OF

GRANT OF SECURITY INTEREST

IN

TRADEMARKS

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Guarantee and Collateral Agreement dated as of August 20, 2013 (as the same may be amended, modified, extended or restated from time to time, the " Agreement "), by and among the Grantors party thereto (each a " Grantor " and collectively, the " Grantors ") and JPMORGAN CHASE BANK, N.A., as collateral agent (the " Collateral Agent ") for the Secured Parties referenced therein, the undersigned Grantor has granted a continuing security interest in and continuing lien upon the trademarks and trademark applications shown below to the Collateral Agent, for the ratable benefit of the Secured Parties:

TRADEMARKS

Trademark No.	Description of Trademark Item	Date of Trademark

See Schedule 1 attached hereto

TRADEMARK APPLICATIONS

Trademark Applications No.	Description of Trademark Applied for	Date of Trademark Applications

See Schedule 1 attached hereto

The undersigned Grantor and the Collateral Agent, on behalf of the Secured Parties, hereby acknowledge and agree that the security interest in the foregoing trademarks and trademark applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any trademark or trademark application.

Very truly yours,

_____
[Grantor]

By: _____
Name: _____
Title: _____

Acknowledged and Accepted:

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent

By: _____
Name: _____
Title: _____

EXHIBIT 5(b)(iii)

NOTICE

OF

GRANT OF SECURITY INTEREST

IN

COPYRIGHTS

United States Copyright Office

Ladies and Gentlemen:

Please be advised that pursuant to the Guarantee and Collateral Agreement dated as of August 20, 2013 (as the same may be amended, modified, extended or restated from time to time, the " Agreement "), by and among the Grantors party thereto (each a " Grantor " and collectively, the " Grantors ") and JPMORGAN CHASE BANK, N.A., as collateral agent (the " Collateral Agent ") for the Secured Parties referenced therein, the undersigned Grantor has granted a continuing security interest in and continuing lien upon the copyrights and copyright applications shown below to the Collateral Agent, for the ratable benefit of the Secured Parties:

COPYRIGHTS

Copyright No.	Description of Copyright Item	Date of Copyright

See Schedule 1 attached hereto

COPYRIGHT APPLICATIONS

Copyright Applications No.	Description of Copyright Applied for	Date of Copyright Applications

See Schedule 1 attached hereto

The undersigned Grantors and the Collateral Agent, on behalf of the Secured Parties, hereby acknowledge and agree that the security interest in the foregoing copyrights and copyright applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any copyright or copyright application.

Very truly yours,

_____
[Grantor]

By: _____
Name: _____
Title: _____

Acknowledged and Accepted:

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent

By: _____
Name: _____
Title: _____

Exhibit 22
Supplement to the
Guarantee and
Collateral Agreement

SUPPLEMENT NO. dated as of [ ] (this " Supplement "), to the Guarantee and Collateral Agreement dated as of August 20, 2013 (the " Collateral Agreement "), among TriNet Group, Inc. (" Holdings "), TriNet HR Corporation (the " Borrower "), each subsidiary of the Borrower listed on Schedule I thereto (each such subsidiary individually a " Subsidiary Guarantor " and, collectively, the " Subsidiary Guarantors "; the Subsidiary Guarantors, Holdings and the Borrower are referred to collectively herein as the " Grantors ") and JPMORGAN CHASE BANK, N.A. (" JPMCB "), as Collateral Agent (in such capacity, the " Collateral Agent ").

A. Reference is made to the Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement"), among the Borrower, Holdings, the lenders from time to time party thereto and JPMCB, as Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement and the Collateral Agreement.

C. The Grantors have entered into the Collateral Agreement in order to induce the Lenders to make Loans and the Issuing Bank to issue Letters of Credit. Section 22 of the Collateral Agreement provides that additional Subsidiaries of the Borrower may become Subsidiary Loan Parties under the Collateral Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the " New Subsidiary ") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Subsidiary Loan Party under the Collateral Agreement in order to induce the Lenders to make additional Loans and the Issuing Bank to issue additional Letters of Credit and as consideration for Loans previously made and Letters of Credit previously issued.

Accordingly, the Collateral Agent and the New Subsidiary agree as follows:

SECTION 1. In accordance with Section 22 of the Collateral Agreement, the New Subsidiary by its signature below becomes a Subsidiary Loan Party, Grantor and Guarantor under the Collateral Agreement with the same force and effect as if originally named therein as a Subsidiary Loan Party, Grantor and Guarantor and the New Subsidiary hereby (a) agrees to all the terms and provisions of the Collateral Agreement applicable to it as a Subsidiary Loan Party, Grantor and Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor and Guarantor thereunder are true and correct on and as of the date hereof. In

furtherance of the foregoing, the New Subsidiary, as security for the payment and performance in full of the Obligations (as defined in the Collateral Agreement), does hereby create and grant to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, their successors and assigns, a security interest in and lien on all of the New Subsidiary's right, title and interest in and to the Collateral (as defined in the Collateral Agreement) of the New Subsidiary. Each reference to a "Guarantor" or "Grantor" in the Collateral Agreement shall be deemed to include the New Subsidiary. The Collateral Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary and the Collateral Agent has executed a counterpart hereof. Delivery of an executed signature page to this Supplement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Subsidiary hereby represents and warrants that (a) set forth on Schedule I attached hereto is a schedule with the true and correct legal name of the New Subsidiary, its jurisdiction of formation and the location of its chief executive office, (b) set forth on Schedule II attached hereto is a true and correct schedule of all the Pledged Securities of the New Subsidiary and (c) set forth on Schedule III attached hereto is a true and correct schedule of Intellectual Property consisting of Copyrights, Patents and Trademarks of the New Subsidiary.

SECTION 5. Except as expressly supplemented hereby, the Collateral Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Collateral Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall be in writing and given as provided in Section 15 of the Collateral Agreement.

SECTION 9. The New Subsidiary agrees to reimburse the Collateral Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Subsidiary and the Collateral Agent have duly executed this Supplement to the Collateral Agreement as of the day and year first above written.

[NAME OF NEW SUBSIDIARY],

by_____
Name:
Title:

Legal Name:
Jurisdiction of Formation:
Location of Chief Executive office:

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent

by_____
Name:
Title:

Schedule I
to Supplement No. to the
Guarantee and
Collateral Agreement

NEW SUBSIDIARY INFORMATION

Name	Jurisdiction of Formation	Chief Executive Office

Schedule II
to Supplement No. to the
Guarantee and
Collateral Agreement

PLEDGED SECURITIES

Pledged Equity Interests

Issuer	Number of Certificate	Registered Owner	Number and Class of Equity Interests	Percentage of Equity Interests

Pledged Debt Securities

Issuer	Principal Amount	Date of Note	Maturity Date

EXHIBIT E

[FORM OF] COMPLIANCE CERTIFICATE

[The form of this Compliance Certificate has been prepared for convenience only, and is not to affect, or to be taken into consideration in interpreting, the terms of the Credit Agreement referred to below. The obligations of the Borrower under the Credit Agreement are as set forth in the Credit Agreement, and nothing in this Compliance Certificate, or the form hereof, shall modify such obligations or constitute a waiver of compliance therewith in accordance with the terms of the Credit Agreement. In the event of any conflict between the terms of this Compliance Certificate and the terms of the Credit Agreement, the terms of the Credit Agreement shall govern and control, and the terms of this Compliance Certificate are to be modified accordingly.]

Reference is made to the First Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Credit Agreement ") among TriNet Group, Inc. (" Holdings "), TriNet HR Corporation (the " Borrower "), the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. Each capitalized term used but not defined herein shall have the meaning specified in the Credit Agreement.

The undersigned hereby certifies, in his or her capacity as a Financial Officer of Holdings and not in a personal capacity, as follows:

1. I am a Financial Officer of Holdings.

2. [Attached as Schedule I hereto are (a) the audited consolidated balance sheet and audited consolidated statements of income and cash flows required to be delivered by Section 5.01(a) of the Credit Agreement as of the end of and for the fiscal year ended [ ] setting forth in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP [1], and related narrative report containing management's discussion and analysis of the financial position and financial performance for such fiscal year and (b) reasonably detailed calculations (i) demonstrating compliance with the financial covenant contained in Section 6.12(a) of the Credit Agreement as of the last day of the most recent fiscal quarter included in the financial statements delivered herein [, (ii) of Excess Cash Flow for such fiscal year] [2] [and (iii) of GAAP Working Capital as of the ECF Sweep Repayment Date for the most recently completed fiscal year (calculated prior to giving effect to any prepayment of Term Loans on such date)] [3] .]

[1] An independent registered public accounting firm of recognized national standing may be substituted for Ernst & Young LLP in accordance with Section 5.01(a) of the Credit Agreement.

[2] Include if this Compliance Certificate is being delivered with respect to financial statements delivered pursuant to Section 5.01(a), beginning with the financial statements for the fiscal year of Holdings ending December 31, 2014.

[3] Include when an ECF Shortfall Amount exists.

[or]

2. [Attached as Schedule I hereto are (a) the unaudited consolidated balance sheet and unaudited consolidated statements of income and cash flows required to be delivered by Section 5.01(b) of the Credit Agreement as of the end of and for the fiscal quarter ended [ ] and the then elapsed portion of such fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, and related narrative report containing management's discussion and analysis of the financial position and financial performance for such fiscal quarter and (b) reasonably detailed calculations demonstrating compliance with the financial covenant contained in Section 6.12(a) of the Credit Agreement as of the last day of the most recent fiscal quarter included in the financial statements delivered herein. The financial statements referred to in clause (a) of this Section 2 present fairly in all material respects the financial condition, results of operations and cash flows of Holdings, the Borrower and the Subsidiaries on a consolidated basis as of the end of and for such fiscal quarter and such portion of the fiscal year in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of certain footnotes.]

3. [Attached as Schedule II hereto is a completed Supplemental Perfection Certificate, setting forth the information required pursuant to the Supplemental Perfection Certificate and indicating any changes in such information from [the most recently delivered Supplemental Perfection Certificate] / [the Perfection Certificate delivered on the Effective Date)].]

[or]

3. [I hereby certify that there has been no change in any information set forth in [the most recently delivered Supplemental Perfection Certificate] / [the Perfection Certificate delivered on the Effective Date].]

4. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Holdings, the Borrower and the Subsidiaries during the accounting period covered by the attached financial statements. The foregoing examination did not disclose, and I have no knowledge of (a) the existence of any condition or event that constitutes a Default or an Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth in a separate attachment, if any, to this Certificate, specifying the details thereof and the action that the Borrower has taken or proposes to take with respect thereto or (b) any change in GAAP or in the application thereof since the date of the consolidated balance sheet [most recently delivered pursuant to Section 5.01(a) or 5.01(b) of the Credit Agreement] / [referred to in Section 3.04 of the Credit Agreement][, except as set forth in a separate attachment to this Certificate].

5. Attached as Schedule [II][III] hereto is the name of each Subsidiary, if any, that (i) is an Excluded Subsidiary as of the date of this Certificate but has not been identified as an Excluded Subsidiary in Schedule 3.14 to the Disclosure

Letter or in any prior Compliance Certificate or (ii) has previously been identified as an Excluded Subsidiary but has ceased to be an Excluded Subsidiary.

6. [Attached as Schedule [III][IV] hereto are the amounts of any Available ECF Amount and any Qualifying Equity Proceeds utilized for Specified Uses during the most recent fiscal quarter included in the attached financial statements, specifying each such use and the amount thereof.] [4]

7. The financial covenant analyses and other information set forth on Annex A hereto are true and accurate on and as of the date of this Certificate.

8. The foregoing certifications are made and delivered on [ ], pursuant to Section 5.01(c) of the Credit Agreement.

[Remainder of page intentionally left blank]

Very truly yours,

TRINET GROUP, INC.

By: _____
Name:
Title:

[4] Include if this Compliance Certificate is being delivered with respect to financial statements delivered pursuant to Section 5.01(a).

FOR THE FISCAL [QUARTER] [YEAR] ENDED [mm/dd/yy].

ARTICLE I First Lien Leverage Ratio : **(a) / (b) =**	[____, ____, $ ____]
(a) Consolidated First Lien Debt:	[____, ____, $ ____]
(b) Consolidated EBITDA for the period of four consecutive fiscal quarters of Holdings most recently ended on or prior to the date referred to above:	[____, ____, $ ____]
ARTICLE II Consolidated First Lien Debt **= (a) =**	[____, ____, $ ____]
(a) the aggregate amount of Consolidated Total Debt of Holdings and the Subsidiaries outstanding, including the Loan Document Obligations, to the extent they constitute Consolidated Total Debt, and the aggregate amount of outstanding Letters of Credit, and including Capital Lease Obligations (excluding Capital Lease Obligations in an aggregate amount not to exceed $1,000,000 at any time outstanding), purchase money indebtedness and other obligations that are properly classified as liabilities on a consolidated balance sheet prepared in accordance with GAAP, that in any case is secured by Liens (other than any Liens on Collateral subordinated to the Liens under the Security Documents securing the Loan Document Obligations) on any property or assets of Holdings, the Borrower or any of the other Subsidiaries as at the end of the period referred to above:	[____, ____, $ ____]
ARTICLE III Consolidated EBITDA : [21] **((a) + (b)) – (c) =**	[____, ____, $ ____]
(a) Consolidated Net Income for such period:	[____, ____, $ ____]
(b) without duplication and to the extent deducted (and not added back) in determining such Consolidated Net Income for such period, the sum of:	[____, ____, $ ____]
(i) consolidated interest expense for such period (including and imputed interest expense in respect of Capital Lease Obligations):	[____, ____, $ ____]

[21] Consolidated EBITDA for any period shall be calculated so as to exclude (without duplication of any adjustment referred to in the definition of Consolidated EBITDA in the Credit Agreement) the cumulative effect of any changes in GAAP or accounting principles applied by management during such period.

(ii)	provision for taxes based on income, profits or losses, including foreign withholding taxes, and for corporate franchise, capital stock, net worth and value-added taxes, in each case during such period:	[____, ____, $ ____]
(iii)	all amounts attributable to depreciation and amortization for such period (excluding amortization expense attributable to a prepaid cash expense that was paid in a prior period):	[____, ____, $ ____]
(iv)	any extraordinary losses or charges for such period, determined on a consolidated basis in accordance with GAAP:	[____, ____, $ ____]
(v)	any Non-Cash Charges for such period: [22]	[____, ____, $ ____]
(vi)	any losses attributable to obligations under any Hedging Agreement (to the extent recognized prior to the occurrence of a termination event with respect thereto) or to early extinguishment of Indebtedness, determined on a consolidated basis in accordance with GAAP:	[____, ____, $ ____]
(vii)	expenses incurred during such period that are contemporaneously reimbursed to Holdings, the Borrower or a Subsidiary by a seller pursuant to indemnification provisions in any agreement relating to a Permitted Acquisition;	[____, ____, $ ____]
(viii)	non-recurring out-of-pocket transactional fees, costs and expenses relating to Permitted Acquisitions, Investments and Indebtedness incurred outside the ordinary course of business, securities offerings and Dispositions, including legal fees, advisory fees and upfront financing fees:	[____, ____, $ ____]
(ix)	Pro Forma Adjustments in connection with Material Acquisitions consummated during such period:	[____, ____, $ ____]

[22] Any cash payment made with respect to any Non-Cash Charges added back in computing Consolidated EBITDA for any prior period pursuant to clause (a)(v) of the definition of Consolidated EBITDA (or that would have been added back had the Credit Agreement been in effect during such prior period) shall be subtracted in computing Consolidated EBITDA for the period in which such cash payment is made.

(x)	non-recurring out-of-pocket costs, fees and expenses relating to the Transactions incurred during such period, including legal and advisory fees (if incurred within 120 days following the Effective Date), not in excess of $15,000,000 in the aggregate:	[____, ____, $ ____]
(xi)	non-recurring out-of-pocket fees, costs and expenses relating to the incurrence, refinancing, amendment or modification of Indebtedness prior to the Effective Date:	[____, ____, $ ____]
(c)	without duplication and to the extent included (and not deducted) in determining such Consolidated Net Income, for such period the sum of:	[____, ____, $ ____]
(i)	any extraordinary gains for such period, determined on a consolidated basis in accordance with GAAP:	[____, ____, $ ____]
(ii)	any non-cash gains for such period, including with respect to write-ups of assets or goodwill, determined on a consolidated basis in accordance with GAAP:	[____, ____, $ ____]
(iii)	any gains attributable to the early extinguishment of Indebtedness or obligations under any Hedging Agreement, determined on a consolidated basis in accordance with GAAP for such period: [23]	[____, ____, $ ____]
ARTICLE IV Consolidated Total Debt [24] = **(a)** + **(b)** =		[____, ____, $ ____]
(a)	the aggregate principal amount of Indebtedness of	[____, ____, $ ____]

[23] Consolidated EBITDA for any period shall be calculated so as to exclude (without duplication of any adjustment referred to above) (i) the cumulative effect of any changes in GAAP or accounting principles applied by management during such period and (ii) non-cash foreign translation gains and losses.

[24] Consolidated Total Debt shall be calculated without giving effect to any election to value any Indebtedness at "fair value", as described in Section 1.04(a) of the Credit Agreement, or any other accounting principle that results in the amount of any such Indebtedness (other than zero coupon Indebtedness) as reflected on such balance sheet to be below the stated principal amount of such Indebtedness). The term "Indebtedness" as used in the definition of the term "Consolidated Total Debt" shall not include Indebtedness under Intraday Banking Facilities to the extent repaid in full within two Business Days after the incurrence thereof.

Holdings, the Borrower and the Subsidiaries outstanding in the amount that would be reflected on a balance sheet prepared as of such date on a consolidated basis in accordance with GAAP as at the end of such period:

(b) the aggregate principal amount of Indebtedness of Holdings, the Borrower and the Subsidiaries outstanding (including in respect of Letters of Credit, but excluding purchase price adjustments and other Indebtedness of the type described in clause (i) of the second sentence of the definition of Indebtedness [25]) that is not required to be reflected on a balance sheet prepared as of such date on a consolidated basis in accordance with GAAP as at the end of such period: [____, ____, $ ____]

ARTICLE V Consolidated Net Income = **(a)** – **((b)** + **(c)** + **(d))** = [____, ____, $ ____]

(a) the net income or loss of Holdings, the Borrower and the consolidated Subsidiaries determined on a consolidated basis in accordance with GAAP for the period referred to above: [____, ____, $ ____]

(b) the income of any Person (other than Holdings and the Borrower) that is not a consolidated Subsidiary, except to the extent of the amount of cash dividends or other cash distributions actually paid by such Person to Holdings, the Borrower or, subject to clauses (c) and (d) below, any consolidated Subsidiary, during such period: [____, ____, $ ____]

(c) the income of, and any amounts referred to in clause (b) above paid to, any Subsidiary to the extent that, on the date of determination, the declaration or payment of cash dividends or other cash distributions by such Subsidiary of that income is not at the time permitted by a Requirement of Law or any agreement or instrument applicable to such Subsidiary, unless such restrictions with respect to the payment of cash dividends and other similar cash distributions have [____, ____, $ ____]

[25] Purchase price adjustments, earnouts, holdbacks or deferred payments of a similar nature (including deferred compensation representing consideration or other contingent obligations incurred in connection with an acquisition), except in each case to the extent that such amount payable is, or becomes, reasonably determinable and contingencies have been resolved or such amount would otherwise be required to be reflected on a balance sheet prepared in accordance with GAAP.

been legally and effectively waived for such period:

(d) the income or loss of, and any amounts referred to in clause (b) of this proviso paid to, any consolidated Subsidiary that is not wholly-owned by Holdings to the extent such income or loss or such amounts are attributable to the noncontrolling interest in such consolidated Subsidiary for such period: [____, ____, $ ____]

ARTICLE VI Excess Cash Flow [26] = **(a)** – **(b)** = [27] [____, ____, $ ____]

(a) the sum, without duplication, of: [____, ____, $ ____]

(i) the consolidated net income or loss of Holdings, the Borrower and the consolidated Subsidiaries for the fiscal year referred to above, adjusted to exclude (x) net income or loss of any consolidated Subsidiary that is not wholly-owned by Holdings to the extent such income or loss is attributable to the non-controlling interest in such consolidated Subsidiary and (y) any gains or losses attributable to Prepayment Events: [____, ____, $ ____]

(ii) depreciation, amortization and other non-cash charges, expenses or losses, including the non-cash portion of interest expense, deducted in determining such consolidated net income or loss for such fiscal year: [____, ____, $ ____]

(iii) the sum of (x) the amount, if any, by which Net Working Capital decreased during such fiscal year (except as a result of the reclassification of items from short-term to long-term or vice-versa), (y) the net amount, if any, by which the consolidated deferred revenues and other consolidated accrued long-term liability accounts of Holdings, the Borrower and the [____, ____, $ ____]

[26] Include if this Compliance Certificate is being delivered with respect to financial statements delivered pursuant to Section 5.01(a), beginning with the financial statements for the fiscal year of Holdings ending December 31, 2014.

[27] Amounts expended in connection with (i) acquiring Term Loans under Section 2.24 of the Credit Agreement and (ii) assignments of Term Loans pursuant to Section 9.04(e) or (f) of the Credit Agreement shall not reduce or be credited against Excess Cash Flow.

consolidated Subsidiaries increased during such fiscal year and (z) the net amount, if any, by which the consolidated accrued long-term asset accounts of Holdings, the Borrower and the other consolidated Subsidiaries decreased during such fiscal year:

(b) the sum, without duplication, of: [____, ____, $ ____]

(i) the amount of all non-cash gains included in arriving at such consolidated net income or loss for such fiscal year: [____, ____, $ ____]

(ii) the sum of (x) the amount, if any, by which Net Working Capital increased during such fiscal year (except as a result of the reclassification of items from long-term to short-term or vice-versa), (y) the net amount, if any, by which the consolidated deferred revenues and other consolidated accrued long-term liability accounts of Holdings, the Borrower and the consolidated Subsidiaries decreased during such fiscal year and (z) the net amount, if any, by which the consolidated accrued long-term asset accounts of Holdings, the Borrower and the consolidated Subsidiaries increased during such fiscal year: [____, ____, $ ____]

(iii) the sum of, in each case except to the extent financed with Excluded Sources, of (w) the aggregate amount of Capital Expenditures by Holdings, the Borrower and the consolidated Subsidiaries made in cash for such fiscal year (except to the extent attributable to the incurrence of Capital Lease Obligations), (x) the aggregate amount of cash consideration paid during such fiscal year by Holdings, the Borrower and the consolidated Subsidiaries to make Permitted Acquisitions and other Investments (other than Investments in cash, cash equivalents or Permitted Investments), except to the extent made in reliance on the Available ECF Amount, (y) to the extent not deducted in arriving at net income or loss or pursuant to the other clauses of this definition, the amount of Restricted Payments paid to Persons other than Holdings, the Borrower or [____, ____, $ ____]

any Subsidiaries during such period pursuant to Section 6.08(a), other than Restricted Payments made in reliance on the Available ECF Amount, and (z) payments in cash made by the Borrower and its consolidated Subsidiaries with respect to any noncash charges added back pursuant to clause (a)(ii) above in computing Excess Cash Flow for any prior fiscal year:

(iv) the aggregate principal amount of Long-Term Indebtedness repaid or prepaid in cash by Holdings, the Borrower and the consolidated Subsidiaries during such fiscal year, excluding (u) Indebtedness in respect of Revolving Loans and Letters of Credit or other revolving extensions of credit (except to the extent that any repayment or prepayment of such Indebtedness is accompanied by a permanent reduction in related commitments), (v) Term Loans (or Incremental Term Loans) prepaid pursuant to Section 2.11(c), (d) or (e) of the Credit Agreement, (w) term loans prepaid under the Second Lien Credit Agreement pursuant to Section 2.09(b), (c) or (d) thereof, (x) any Alternative Incremental Facility Indebtedness pursuant to any comparable provision thereof, (y) any Refinancing Indebtedness in respect of the Credit Agreement , the Second Lien Credit Agreement, or any Alternative Incremental Facility Indebtedness prepaid pursuant to any comparable provision thereof and (z) repayments or prepayments of Long-Term Indebtedness (A) made under Section 6.08(b)(viii) of the Credit Agreement in reliance on the Available ECF Amount and (B) to the extent financed from Excluded Sources: [____, ____, $ ____]

ARTICLE VII GAAP Working Capital [28] **= (a) – (b) =** [____, ____, $ ____]

(a) the consolidated current assets of Holdings and the Subsidiaries as of such date, calculated in accordance with GAAP: [____, ____, $ ____]

[28] Include if this Compliance Certificate is being delivered with respect to financial statements delivered pursuant to Section 5.01(a) and an ECF Shortfall Amount exists.

(b) the consolidated current liabilities of Holdings and the Subsidiaries as of such date, calculated in accordance with GAAP: [____, ____, $ ____]

EXHIBIT F

[FORM OF] INTERCOMPANY NOTE

New York, NY
, 2013

1. FOR VALUE RECEIVED, each of the parties identified on the signature pages hereto (each, a " Note Party "), constituting an Intercompany Debtor (as defined below), hereby promises to pay to the order of each applicable Intercompany Lender (as defined below), in lawful money of the United States of America or, in respect of extensions of credit in another currency, in such other currency as agreed to by the applicable Intercompany Lender and the applicable Intercompany Debtor (as defined below), in each case in immediately available funds, at such location in the United States of America or at such other location as the applicable Intercompany Lender shall from time to time designate, all amounts as may be owing from time to time by such Note Party (in such capacity, an " Intercompany Debtor ") to each other Note Party that is a Loan Party (in such capacity, an " Intercompany Lender ") in consideration of Indebtedness (such term, and each other capitalized term used but not defined herein, having the meaning assigned thereto in the First Lien Credit Agreement referred to below) owed by such Intercompany Debtor to such Intercompany Lender, together with interest thereon at such rate as may be agreed upon from time to time, if any, between the applicable Intercompany Debtor and the applicable Intercompany Lender (any such Indebtedness being referred to herein as " Intercompany Indebtedness ").

2. Each Intercompany Debtor shall pay all Intercompany Indebtedness owing under this note (this " Global Note ") to any Intercompany Lender on demand of such Intercompany Lender. Each Intercompany Lender may make demand for all or any subset of the amounts owing to such Intercompany Lender under this Global Note, upon all Intercompany Debtors obligated to such Intercompany Lender or any such Intercompany Debtor, without the consent or permission of any other Note Party.

3. Upon the commencement of any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, insolvency or liquidation or similar proceeding in any jurisdiction relating to any Note Party, all Intercompany Indebtedness owing by such Note Party to each Intercompany Lender under this Global Note shall become immediately due and payable without presentment, demand, protest or notice of any kind in connection with this Global Note.

4. Upon the occurrence and during the continuance of an Enforcement Event (as defined below), all Intercompany Indebtedness owing hereunder by any Intercompany Debtor to an Intercompany Lender shall become immediately due and payable without presentment, demand, protest or notice of any kind in connection with this Global Note. Upon the occurrence and during the continuance of an Enforcement Event, all payments under this Global Note shall be made without offset, counterclaim or deduction of any kind, and no amount owing by any Intercompany

Debtor to any Intercompany Lender shall be reduced in any way by any outstanding obligations of such Intercompany Lender to such Intercompany Debtor, whether such obligations are monetary or otherwise.

5. Each Intercompany Lender is hereby authorized to record all amounts owing in consideration of Intercompany Indebtedness extended by such Intercompany Lender to the Intercompany Debtors, all of which shall be evidenced by this Global Note, and all repayments thereof, in its books and records in accordance with its usual practice, such books and records constituting prima facie evidence of the accuracy of the information contained therein; provided , however , that the failure of any Intercompany Lender to record such information shall not affect any Intercompany Debtor's obligations in respect of Intercompany Indebtedness extended by such Intercompany Lender to such Intercompany Debtor.

6. Each Intercompany Debtor hereby waives diligence, presentment, demand, protest and notice of any kind whatsoever. No failure or delay by any Intercompany Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No amendment, modification or waiver of, or consent with respect to, any provision of this Global Note shall in any event be effective against any Note Party unless the same shall be in writing and signed and delivered by such Note Party. Subject to the immediately preceding sentence, this Global Note shall be construed as a separate agreement with respect to each Note Party and may be amended, modified, supplemented, waived or released with respect to any Note Party without the approval of any other Note Party and without affecting the obligations of any other Note Party hereunder, and the obligations of each Intercompany Debtor hereunder shall be several and not joint with any other Intercompany Debtors.

7. Pursuant to the First Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " First Lien Credit Agreement "), among TriNet HR Corporation, TriNet Group, Inc. (" Holdings "), the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, this Global Note shall be pledged by the Intercompany Lenders in accordance with the First Lien Credit Agreement and the other Loan Documents. Each Intercompany Debtor hereby acknowledges and agrees that the Administrative Agent may, pursuant to the First Lien Credit Agreement, the other Loan Documents and any other applicable agreements as in effect from time to time, exercise all rights provided therein with respect to this Global Note. For purposes hereof, an " Enforcement Event " shall be deemed to have occurred and be continuing if an Event of Default shall have occurred and is continuing and either (a) all or any part of the Loan Document Obligations shall have been declared, or shall have automatically become, due and payable or (b) the Administrative Agent shall have commenced the exercise of its rights, on behalf of the Secured Parties, with respect to this Global Note.

8. Notwithstanding anything to the contrary contained herein, in any other Loan Document or in any other promissory note or other instrument, this Global Note evidences all agreements, promissory notes or other instruments that create or evidence any loans or advances made on, before or after the date hereof by any Intercompany Lender to any Intercompany Debtor (such notes and instruments, the " Other Intercompany Notes "). This Global Note evidences a continuation of, and not (i) an extinguishment, repayment and reborrowing of, (ii) a termination, novation or modification of, or (iii) a change to, the Indebtedness heretofore outstanding under the Other Intercompany Notes or any intercompany loan documents or agreements relating thereto. It is understood and agreed that this Global Note evidences Indebtedness owed from time to time by any Intercompany Debtor to any Intercompany Lender, but does not create any obligation to extend any such Indebtedness or, except as expressly set forth herein, alter any of the terms thereof.

9. This Global Note may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

10. From time to time after the date hereof, additional Subsidiaries of Holdings may become parties hereto (as Intercompany Debtor and/or Note Party, as the case may be) by executing a counterpart signature page to this Global Note (each additional Subsidiary, an " Additional Party "). Upon execution and delivery of such counterpart signature page to the Note Parties, notice of which is hereby waived by the other Intercompany Debtors, each Additional Party shall be a Intercompany Debtor and/or a Note Party, as the case may be, and shall be as fully a party hereto as if such Additional Party were an original signatory hereof. The execution and delivery of such a counterpart signature page shall not require the consent of any party hereto. Each Intercompany Debtor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Intercompany Debtor or Intercompany Lender hereunder. This Global Note shall be fully effective as to any Intercompany Debtor or Intercompany Lender that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Intercompany Debtor or Intercompany Lender hereunder.

11. No amendment, modification or waiver of, or consent with respect to, any provisions of this Global Note shall be effective unless the same shall be in writing and signed and delivered by each Intercompany Debtor and Intercompany Lender whose rights or obligations shall be affected thereby; provided that, until such time as (a) all the Obligations have been paid in full in cash and (b) the Lenders have no further commitment to lend under the First Lien Credit Agreement, the Administrative Agent shall have provided its prior written consent to such amendment, modification, waiver or consent (which consent shall not be unreasonably withheld or delayed) to the extent such amendment, modification, waiver or consent would be adverse in any material respect to the Lenders.

12. THIS GLOBAL NOTE AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS GLOBAL NOTE AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Signature pages follow]

INTERCOMPANY LENDERS:

[•],

By: _____
Name:
Title:

INTERCOMPANY DEBTORS:

[•],

By: _____
Name:
Title:

ALLONGE TO INTERCOMPANY NOTE

This Allonge to Intercompany Note dated [ ], 2013, as amended, amended and restated, supplemented or otherwise modified from time to time, evidencing loans in various amounts owing and payable to the undersigned, shall be attached thereto and made a part thereof.

ENDORSEMENT

The above described note is hereby endorsed as follows:

Pay to the order of .

Dated , .

[•],

By: _____
Name:
Title:

EXHIBIT G-1

[FORM OF]

FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT

Among

TRINET HR CORPORATION,

TRINET GROUP, INC.,

the other Grantors party hereto,

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent for the Senior Secured Parties and
as Representative for the Credit Agreement Secured Parties,

WILMINGTON TRUST, NATIONAL ASSOCIATION,

as the Initial Additional Second Priority Representative,

and

each additional Representative from time to time party hereto

dated as of August 20, 2013

FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT dated as of August 20, 2013 (as amended, supplemented or otherwise modified from time to time, this " **Agreement** "), among TRINET HR CORPORATION, a California corporation (the **"Borrower** "), TRINET GROUP, INC., a Delaware corporation (**"Holdings** "), the other Grantors (as defined herein) party hereto, JPMORGAN CHASE BANK, N.A., as collateral agent for the Senior Secured Parties (as defined herein) (in such capacity, the **" Senior Collateral Agent "**) and as Representative for the Credit Agreement Secured Parties (in such capacity, the **"Administrative Agent** "), WILMINGTON TRUST, NATIONAL ASSOCIATION, as Representative for the Initial Second Priority Debt Parties (in such capacity and together with its successors in such capacity, the **"Initial Second Priority Representative** "), and each additional Second Priority Representative and Senior Representative that from time to time becomes a party hereto pursuant to Section 8.09.

In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Senior Collateral Agent, the Administrative Agent (for itself and on behalf of the Credit Agreement Secured Parties), the Initial Second Priority Representative (for itself and on behalf of the Initial Second Priority Debt Parties) and each additional Senior Representative (for itself and on behalf of the Additional Senior Debt Parties under the applicable Additional Senior Debt Facility) and each additional Second Priority Representative (for itself and on behalf of the Second Priority Debt Parties under the applicable Second Priority Debt Facility) agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Defined Terms . Capitalized terms used but not otherwise defined herein have the meanings set forth in the Credit Agreement or the Collateral Agreement, as applicable, or, if defined in the New York UCC, and not otherwise defined herein, in the Credit Agreement or the Collateral Agreement, the meanings specified therein. As used in this Agreement, the following terms have the meanings specified below:

"Additional Senior Debt " means any Indebtedness of any Loan Party (as defined in the Credit Agreement) (other than Indebtedness constituting Credit Agreement Obligations) which Indebtedness is secured by the Senior Collateral (or a portion thereof) on a pari passu basis (but without regard to control of remedies) with the Credit Agreement Obligations (and not secured by Liens on any other assets of Holdings, the Borrower or any Subsidiary); provided , however , that (i) such Indebtedness is permitted to be incurred, secured and (if such Indebtedness is Guaranteed) Guaranteed on such basis by, and complies with the terms of, each Senior Debt Document and Second

Priority Debt Document and (ii) the Representative for the holders of such Indebtedness shall have become party to (A) this Agreement pursuant to, and by satisfying the conditions set forth in, Section 8.09 hereof and (B) the Pari Passu Intercreditor Agreement pursuant to, and by satisfying the conditions set forth in, Section 5.13 thereof, provided further that, if such Indebtedness will be the initial Additional Senior Debt incurred by the Loan Parties after the date hereof, then Holdings, the Borrower, the other Grantors, the Senior Collateral Agent and the Representative for such Indebtedness shall have executed and delivered the Pari Passu Intercreditor Agreement. Additional Senior Debt shall include any Registered Equivalent Notes and the Guarantees thereof by the applicable Grantors issued in exchange therefor.

" **Additional Senior Debt Documents** " means, with respect to any series, issue or class of Additional Senior Debt, the promissory notes, indentures, Collateral Documents or other operative agreements evidencing or governing such Indebtedness, including the Senior Collateral Documents.

" **Additional Senior Debt Facility** " means each credit agreement, indenture or other governing agreement with respect to any Additional Senior Debt.

" **Additional Senior Debt Obligations** " means, with respect to any series, issue or class of Additional Senior Debt, (a) all principal of, and interest (including, without limitation, any interest which accrues after the commencement of any Bankruptcy Case, whether or not allowed or allowable as a claim in any such proceeding) payable with respect to, such Additional Senior Debt, (b) all other amounts payable to the related Additional Senior Debt Parties under the related Additional Senior Debt Documents and (c) any renewals or extensions of the foregoing.

" **Additional Senior Debt Parties** " means, with respect to any series, issue or class of Additional Senior Debt, the holders of such Indebtedness, the Representative with respect thereto, any trustee or agent therefor under any related Additional Senior Debt Documents and the beneficiaries of each indemnification obligation undertaken by Holdings, the Borrower or any other Grantor under any related Additional Senior Debt Documents.

" **Administrative Agent** " has the meaning assigned to such term in the introductory paragraph of this Agreement and shall include any successors thereto as provided in Article VIII of the Credit Agreement.

" **Agreement** " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" **Bankruptcy Case** " means a case under the Bankruptcy Code or any other Bankruptcy Law.

" **Bankruptcy Code** " means Title 11 of the United States Code.

" **Bankruptcy Law** " means the Bankruptcy Code and any similar Federal, state or foreign law for the relief of debtors.

" **Borrower** " has the meaning assigned to such term in the introductory paragraph of this Agreement.

"Class Debt" has the meaning assigned to such term in Section 8.09.

"Class Debt Parties" has the meaning assigned to such term in Section 8.09.

"Class Debt Representatives" has the meaning assigned to such term in Section 8.09.

" **Collateral** " means the Senior Collateral and the Second Priority Collateral.

" **Collateral Agreement** " means the "Collateral Agreement" as defined in the Credit Agreement.

" **Collateral Documents** " means the Senior Collateral Documents and the Second Priority Collateral Documents.

" **Credit Agreement** " means that certain First Lien Credit Agreement dated as of August 20, 2013, among Holdings, the Borrower, the lenders from time to time party thereto and the Administrative Agent and any credit agreement which has been designated as the "Credit Agreement" pursuant to the definition of Discharge of Credit Agreement Obligations.

" **Credit Agreement Loan Documents** " means the Credit Agreement and the other "Loan Documents" as defined in the Credit Agreement.

" **Credit Agreement Obligations** " means the "Obligations" as defined in the Credit Agreement.

" **Credit Agreement Secured Parties** " means the "Secured Parties" as defined in the Credit Agreement.

" **Debt Facility** " means any Senior Facility and any Second Priority Debt Facility.

" **Designated Second Priority Representative** " means (i) the Initial Second Priority Representative, until such time as the Second Priority Debt Facility under the Initial Second Priority Debt Documents ceases to be the only Second Priority Debt Facility under this Agreement and (ii) thereafter, the Second Priority Representative designated from time to time by the Second Priority Instructing Group, in a notice to the Senior Collateral Agent and the Borrower hereunder, as the "Designated Second Priority Representative" for purposes hereof.

" **DIP Financing** " has the meaning assigned to such term in Section 6.01.

“ **Discharge** ” means, with respect to any Shared Collateral and any Debt Facility, the date on which such Debt Facility and the Senior Obligations or Second Priority Debt Obligations thereunder, as the case may be, are no longer secured by such Shared Collateral. The term “ **Discharged** ” shall have a corresponding meaning.

“ **Discharge of Credit Agreement Obligations** ” means, with respect to any Shared Collateral, the Discharge of the Credit Agreement Obligations with respect to such Shared Collateral; provided that the Discharge of Credit Agreement Obligations shall not be deemed to have occurred in connection with a Refinancing of such Credit Agreement Obligations with an Additional Senior Debt Facility secured by such Shared Collateral under one or more Additional Senior Debt Documents which has been designated in writing by the Administrative Agent (under the Credit Agreement so Refinanced) to the Collateral Agent and each other Representative as the “Credit Agreement” for purposes of this Agreement.

“ **Discharge of Senior Obligations** ” means the date on which the Discharge of Credit Agreement Obligations and the Discharge of each Additional Senior Debt Facility has occurred.

“ **Grantors** ” means Holdings, the Borrower and each other Subsidiary which has granted a security interest pursuant to any Collateral Document to secure any Secured Obligations. The Grantors existing on the date hereof are set forth in Annex I hereto.

“ **Initial Second Priority Credit Agreement** ” means that certain Second Lien Credit Agreement dated as of August 20, 2013, among Holdings, the Borrower, the lenders from time to time party thereto and Wilmington Trust, National Association, as administrative agent.

“ **Initial Second Priority Debt** ” means the Second Priority Debt incurred pursuant to the Initial Second Priority Debt Documents.

“ **Initial Second Priority Debt Documents** ” means the Initial Second Priority Credit Agreement and any notes, security documents and other operative agreements evidencing or governing such Indebtedness, including any agreement entered into for the purpose of securing the Initial Second Priority Debt Obligations.

“ **Initial Second Priority Debt Obligations** ” means the Second Priority Debt Obligations arising pursuant to the Initial Second Priority Debt Documents.

“ **Initial Second Priority Debt Parties** ” means the holders of any Initial Second Priority Debt Obligations and the Initial Second Priority Representative.

“ **Initial Second Priority Representative** ” has the meaning assigned to such term in the introductory paragraph to this Agreement.

“ **Insolvency or Liquidation Proceeding** ” means:

(1) any case commenced by or against Holdings, the Borrower or any other Grantor under any Bankruptcy Law, any other proceeding for the reorganization, recapitalization or adjustment of the assets or liabilities of Holdings, the Borrower or any other Grantor, any receivership or assignment for the benefit of creditors relating to Holdings, the Borrower or any other Grantor or any similar case or proceeding relative to Holdings, the Borrower or any other Grantor or its creditors, as such, in each case whether or not voluntary;

(2) any liquidation or dissolution of assets or liabilities or other winding up of or relating to Holdings, the Borrower or any other Grantor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(3) any other proceeding of any type or nature in which substantially all claims of creditors of Holdings, the Borrower or any other Grantor are determined and any payment or distribution is or may be made on account of such claims.

" **Joinder Agreement** " means a supplement to this Agreement in the form of Annex III or Annex IV hereof required to be delivered by a Representative to the Senior Collateral Agent pursuant to Section 8.09 hereof in order to include an additional Debt Facility hereunder and to become the Representative hereunder for the Senior Secured Parties or Second Priority Debt Parties, as the case may be, under such Debt Facility.

" **Loan Party** " means "Loan Party" as defined in the Credit Agreement.

" **Major Additional Senior Representative** " means, at any time, the Senior Representative of the Additional Senior Debt Facility having the largest outstanding principal amount of Additional Senior Debt Obligations of any Additional Senior Debt Facility then outstanding

" **Majority Credit Agreement Parties** " means the Required Lenders (as defined in the Credit Agreement), or with respect to any waiver, amendment or request, Credit Agreement Secured Parties having such amount of unused commitments, revolving credit loans or exposures, and outstanding term loans as may be required under the Credit Agreement to approve the same.

" **Majority Senior Parties** " means (a) prior to the Discharge of Credit Agreement Obligations, the Majority Credit Agreement Parties and (b) thereafter, with respect to any waiver, amendment or request, Additional Senior Debt Parties under the Additional Senior Debt Facility in respect of which the Major Additional Senior Representative acts as Representative having such amount of Indebtedness and other credit exposure as may be required under such Additional Senior Debt Facility to approve the same.

" **New York UCC** " means the Uniform Commercial Code as from time to time in effect in the State of New York.

" **Officer's Certificate** " has the meaning assigned to such term in Section 8.08.

"Pari Passu Intercreditor Agreement" has the meaning assigned to such term in the Credit Agreement.

"Pledged or Controlled Collateral" has the meaning assigned to such term in Section 5.04(a).

" **Proceeds** " means the proceeds of any sale, collection or other liquidation of Shared Collateral, any payment or distribution made in respect of Shared Collateral in a Bankruptcy Case and any amounts received by the Senior Collateral Agent or any Senior Secured Party from a Second Priority Debt Party in respect of Shared Collateral pursuant to this Agreement or any other intercreditor agreement.

"Purchase Notice" has the meaning assigned to such term in Section 6.03(b).

"Recovery" has the meaning assigned to such term in Section 6.05.

" **Refinance** " means, in respect of any indebtedness, to refinance, extend, renew, defease, amend, increase, modify, supplement, restructure, refund, replace or repay, or to issue other indebtedness or enter alternative financing arrangements, in exchange or replacement for such indebtedness (in whole or in part), including by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, and including in each case, but not limited to, after the original instrument giving rise to such indebtedness has been terminated and including, in each case, through any credit agreement, indenture or other agreement. " **Refinanced** " and " **Refinancing** " have correlative meanings.

" **Registered Equivalent Notes** " means, with respect to any notes originally issued in a Rule 144A or other private placement transaction under the Securities Act of 1933, substantially identical notes (having the same Guarantees) issued in a dollar for dollar exchange therefor pursuant to an exchange offer registered with the SEC.

" **Representatives** " means the Senior Representatives and the Second Priority Representatives.

" **Responsible Officer** " of any person shall mean any executive officer or Financial Officer of such person and any other officer or similar official thereof with responsibility for the administration of the obligations of such person in respect of this Agreement.

"Second Priority Class Debt" has the meaning assigned to such term in Section 8.09.

"Second Priority Class Debt Parties" has the meaning assigned to such term in Section 8.09.

"Second Priority Class Debt Representative" has the meaning assigned to such term in Section 8.09.

" **Second Priority Collateral** " means any "Collateral" as defined in any Second Priority Debt Document or any other assets of Holdings, the Borrower or any other Grantor with respect to which a Lien is granted or purported to be granted pursuant to a Second Priority Collateral Document as security for any Second Priority Debt Obligation.

" **Second Priority Collateral Documents** " means the "Collateral Agreement" and the other "Security Documents" as defined in the Initial Second Priority Credit Agreement, the "Pari Passu Second Lien Intercreditor Agreement" as defined in the Initial Second Priority Credit Agreement (upon and after the initial execution and delivery thereof by the initial parties thereto) and each of the security agreements and other instruments and documents executed and delivered by Holdings, the Borrower or any other Grantor for purposes of providing collateral security for any Second Priority Debt Obligation.

" **Second Priority Debt** " means any Indebtedness of any Loan Party (as defined in the Credit Agreement), including the Initial Second Priority Debt, which Indebtedness is secured by the Second Priority Collateral on a pari passu basis (but without regard to control of remedies, other than as provided by the terms of the applicable Second Priority Debt Documents) with any other Second Priority Debt Obligations and the applicable Second Priority Debt Documents of which provide that such Indebtedness is to be secured by such Second Priority Collateral on a subordinate basis to the Senior Obligations (and which is not secured by Liens on any assets of Holdings, the Borrower or any other Grantor other than the Second Priority Collateral or which are not included in the Senior Collateral); provided , however , that (i) such Indebtedness is permitted to be incurred, secured and (if such Indebtedness is Guaranteed) Guaranteed on such basis by, and complies with the terms of, each Senior Debt Document and Second Priority Debt Document and (ii) except in the case of the Initial Second Priority Debt, the Representative for the holders of such Indebtedness shall have become party to this Agreement pursuant to, and by satisfying the conditions set forth in, Section 8.09 hereof. Second Priority Debt shall include any Registered Equivalent Notes and Guarantees thereof by the applicable Grantors issued in exchange therefor.

" **Second Priority Debt Documents** " means the Initial Second Priority Debt Documents and, with respect to any series, issue or class of Second Priority Debt, the promissory notes, indentures, Collateral Documents or other operative agreements evidencing or governing such Indebtedness, including the Second Priority Collateral Documents.

" **Second Priority Debt Facility** " means each credit agreement, indenture or other governing agreement with respect to any Second Priority Debt.

“ **Second Priority Debt Obligations** ” means the Initial Second Priority Debt Obligations and, with respect to any series, issue or class of Second Priority Debt, (a) all principal of, and interest (including, without limitation, any interest which accrues after the commencement of any Bankruptcy Case, whether or not allowed or allowable as a claim in any such proceeding) payable with respect to, such Second Priority Debt, (b) all other amounts payable to the related Second Priority Debt Parties under the related Second Priority Debt Documents and (c) any renewals or extensions of the foregoing.

“ **Second Priority Debt Parties** ” means the Initial Second Priority Debt Parties and, with respect to any series, issue or class of Second Priority Debt, the holders of such Indebtedness, the Representative with respect thereto, any trustee or agent therefor under any related Second Priority Debt Documents and the beneficiaries of each indemnification obligation undertaken by Holdings, the Borrower or any other Grantor under any related Second Priority Debt Documents.

“ **Second Priority Instructing Group** ” means Second Priority Representatives with respect to Second Priority Debt Facilities under which at least a majority of the then aggregate amount of Second Priority Debt Obligations are outstanding.

“ **Second Priority Lien** ” means the Liens on the Second Priority Collateral in favor of Second Priority Debt Parties under Second Priority Collateral Documents.

“ **Second Priority Representative** ” means (i) in the case of the Initial Second Priority Debt Facility covered hereby, the Initial Second Priority Representative and (ii) in the case of any Second Priority Debt Facility and the Second Priority Debt Parties thereunder the trustee, administrative agent, collateral agent, security agent or similar agent under such Second Priority Debt Facility that is named as the Representative in respect of such Second Priority Debt Facility in the applicable Joinder Agreement.

“ **Secured Obligations** ” means the Senior Obligations and the Second Priority Debt Obligations.

“ **Secured Parties** ” means the Senior Secured Parties and the Second Priority Debt Parties.

“ **Senior Class Debt** ” has the meaning assigned to such term in Section 8.09.

“ **Senior Class Debt Parties** ” has the meaning assigned to such term in Section 8.09.

“ **Senior Class Debt Representative** ” has the meaning assigned to such term in Section 8.09.

“ **Senior Collateral** ” means any “Collateral” as defined in any Credit Agreement Loan Document or any other Senior Debt Document or any other assets of

Holdings, the Borrower or any other Grantor with respect to which a Lien is granted or purported to be granted pursuant to a Senior Collateral Document as security for any Senior Obligation.

" **Senior Collateral Agent** " means JPMorgan Chase Bank, N.A., in its capacity as collateral agent under the Senior Collateral Documents, and any successor thereof or replacement senior collateral agent appointed in accordance with the terms of the Credit Agreement and, if it is then in effect, the Pari Passu Intercreditor Agreement.

" **Senior Collateral Documents** " means the "Collateral Agreement" and the other "Security Documents" as defined in the Credit Agreement, the Pari Passu Intercreditor Agreement (upon and after the initial execution and delivery thereof by the initial parties thereto) and each of the security agreements and other instruments and documents executed and delivered by Holdings, the Borrower or any other Grantor for purposes of providing collateral security for any Senior Obligation.

" **Senior Debt Documents** " means (a) the Credit Agreement Loan Documents and (b) any Additional Senior Debt Documents.

" **Senior Facilities** " means the Credit Agreement and any Additional Senior Debt Facilities.

" **Senior Lien** " means the Liens on the Senior Collateral in favor of the Senior Secured Parties under the Senior Collateral Documents.

" **Senior Obligations** " means the Credit Agreement Obligations and any Additional Senior Debt Obligations.

" **Senior Representative** " means (i) in the case of any Credit Agreement Obligations or the Credit Agreement Secured Parties, the Administrative Agent, (ii) in the case of any Additional Senior Debt Facility and the Additional Senior Debt Parties thereunder (including with respect to any Additional Senior Debt Facility initially covered hereby on the date of this Agreement) the trustee, administrative agent, collateral agent, security agent or similar agent under such Additional Senior Debt Facility that is named as the Representative in respect of such Additional Senior Debt Facility in the applicable Joinder Agreement.

" **Senior Secured Parties** " means the Credit Agreement Secured Parties and any Additional Senior Debt Parties.

"Shared Collateral" means, at any time, Collateral in which the holders of Senior Obligations under at least one Senior Facility and the holders of Second Priority Debt Obligations under at least one Second Priority Debt Facility (or their Representatives) hold a security interest at such time. If, at any time, any portion of the Senior Collateral under one or more Senior Facilities does not constitute Second Priority Collateral under one or more Second Priority Debt Facilities, then such portion of such Senior Collateral shall constitute Shared Collateral only with respect to the Second Priority Debt Facilities for which it constitutes Second Priority Collateral and shall not

constitute Shared Collateral for any Second Priority Debt Facility which does not have a security interest in such Collateral at such time.

" **Uniform Commercial Code** " or " **UCC** " means, unless otherwise specified, the Uniform Commercial Code as from time to time in effect in the State of New York.

SECTION 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument, other document, statute or regulation herein shall be construed as referring to such agreement, instrument, other document, statute or regulation as from time to time amended, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, but shall not be deemed to include the subsidiaries of such Person unless express reference is made to such subsidiaries, (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Articles, Sections and Annexes shall be construed to refer to Articles, Sections and Annexes of this Agreement, (v) unless otherwise expressly qualified herein, the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (vi) the term "or" is not exclusive.

ARTICLE II

Priorities and Agreements with Respect to Shared Collateral

SECTION 2.01. Subordination . Notwithstanding the date, time, manner or order of filing or recordation of any document or instrument or grant, attachment or perfection of any Liens granted to any Second Priority Representative or any Second Priority Debt Party on the Shared Collateral or of any Liens granted to the Senior Collateral Agent or the Senior Secured Parties on the Shared Collateral (or any actual or alleged defect in any of the foregoing) and notwithstanding any provision of the UCC, any applicable law, any Second Priority Debt Document or any Senior Debt Document or any other circumstance whatsoever, each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, hereby agrees that (a) any Lien on the Shared Collateral securing any Senior Obligations now or hereafter held by or on behalf of the Senior Collateral Agent, any Senior Secured Parties or any Senior Representative or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall have priority over and be senior in all respects and prior to any Lien on the Shared Collateral securing any Second Priority Debt Obligations and (b) any Lien on the Shared Collateral securing any Second Priority Debt Obligations now or hereafter held by or on behalf of

any Second Priority Representative, any Second Priority Debt Party or any Second Priority Representative or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the Shared Collateral securing any Senior Obligations. All Liens on the Shared Collateral securing any Senior Obligations shall be and remain senior in all respects and prior to all Liens on the Shared Collateral securing any Second Priority Debt Obligations for all purposes, whether or not such Liens securing any Senior Obligations are subordinated to any Lien securing any other obligation of Holdings, the Borrower, any other Grantor or any other Person or otherwise subordinated, voided, avoided, invalidated or lapsed. The subordination of Liens securing Second Priority Debt Obligations to Liens securing Senior Obligations set forth in this Section 2.01 affects only the relative priority of those Liens, and does not subordinate the Second Priority Debt Obligations in right of payment to the Senior Obligations. Nothing in this Agreement will affect the entitlement of any Second Priority Debt Party to receive and retain required payments of interest, principal and other amounts in respect of a Second Priority Debt Obligation unless the receipt is expressly prohibited by, or results from the Second Priority Debt Party's breach of, this Agreement.

SECTION 2.02. Nature of Senior Lender Claims . Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, acknowledges that (a) a portion of the Senior Obligations is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, (b) the terms of the Senior Debt Documents and the Senior Obligations may be amended, supplemented or otherwise modified, and the Senior Obligations, or a portion thereof, may be Refinanced from time to time and (c) the aggregate amount of the Senior Obligations may be increased, in each case, without notice to or consent by the Second Priority Representatives or the Second Priority Debt Parties and without affecting the provisions hereof. The Lien priorities provided for in Section 2.01 shall not be altered or otherwise affected by any amendment, supplement or other modification, or any Refinancing, of either the Senior Obligations or the Second Priority Debt Obligations, or any portion thereof. As between Holdings, the Borrower, the other Grantors and the Second Priority Debt Parties, the foregoing provisions will not limit or otherwise affect the obligations of Holdings, the Borrower and the other Grantors contained in any Second Priority Debt Document with respect to the incurrence of additional Senior Obligations.

SECTION 2.03. Prohibition on Contesting Liens Each of the Second Priority Representatives, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the validity, extent, perfection, priority or enforceability of any Lien securing any Senior Obligations held (or purported to be held) by or on behalf of the Senior Collateral Agent or any of the Senior Secured Parties or any Senior Representative or other agent or trustee therefor in any Senior Collateral, and the Senior Collateral Agent and each Senior Representative, for itself and on behalf of each Senior Secured Party under its Senior Facility, agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding

(including any Insolvency or Liquidation Proceeding), the validity, extent, perfection, priority or enforceability of any Lien securing any Second Priority Debt Obligations held (or purported to be held) by or on behalf of any of any Second Priority Representative or any of the Second Priority Debt Parties in the Second Priority Collateral. Notwithstanding the foregoing, no provision in this Agreement shall be construed to prevent or impair the rights of the Senior Collateral Agent or any Senior Representative to enforce this Agreement (including the priority of the Liens securing the Senior Obligations as provided in Section 2.01) or any of the Senior Debt Documents.

SECTION 2.04. No New Liens . The parties hereto agree that, so long as the Discharge of Senior Obligations has not occurred; (a) none of the Grantors shall grant or permit any additional Liens on any asset or property of any Grantor to secure any Second Priority Debt Obligation unless it has granted, or concurrently therewith grants, a Lien on such asset or property of such Grantor to secure the Senior Obligations, (b) none of the Grantors shall grant or permit any additional Liens in favor of the Senior Secured Parties under the Senior Collateral Documents on any asset or property of any Grantor to secure any Senior Obligation unless it has granted, or concurrently therewith grants, a junior-priority Lien on such asset or property of such Grantor to secure the Second Priority Debt Obligations subject to the terms of this Agreement, (c) if any Second Priority Representative or any Second Priority Debt Party shall hold any Lien on any assets or property of any Grantor securing any Second Priority Obligations that are not also subject to the senior-priority Liens securing Senior Obligations under the Senior Collateral Documents, such Second Priority Representative or Second Priority Debt Party (i) shall notify the Senior Collateral Agent promptly upon becoming aware thereof and, unless such Grantor shall promptly grant a similar Lien on such assets or property to the Senior Collateral Agent as security for the Senior Obligations, shall assign such Lien to the Senior Collateral Agent as security for the Senior Obligations (but may retain a junior lien on such assets or property subject to the terms hereof) and (ii) until such assignment or such grant of a similar Lien to the Senior Collateral Agent, shall be deemed to hold and have held such Lien for the benefit of the Senior Collateral Agent as security for the Senior Obligations, and (d) if any Senior Representative or any Senior Secured Party shall hold any Lien created under the Senior Collateral Documents on any assets or property of any Grantor securing any Senior Obligations that are not also subject to the junior-priority Liens securing Second Priority Debt Obligations under the Second Priority Collateral Documents, such Senior Representative or Senior Secured Party (i) shall notify each Second Priority Representative promptly upon becoming aware thereof and, unless such Grantor shall promptly grant a junior-priority Lien on such assets or property to each Second Priority Representative as security for the Second Priority Debt Obligations, shall assign such Lien to each Second Priority Representative as security for the Second Priority Debt Obligations (but may retain a senior Lien on such assets or property subject to the terms hereof) and (ii) until such assignment or such grant of a junior-priority Lien to each Second Priority Representative, shall be deemed to hold and have held such Lien for the benefit of each Second Priority Representative as security for the Second Priority Debt Obligations.

SECTION 2.05. Perfection of Liens . Except for the agreements of the Senior Collateral Agent pursuant to Section 5.04 hereof, none of the Senior Collateral

Agent, the Senior Representatives or the Senior Secured Parties shall be responsible for perfecting and maintaining the perfection of Liens with respect to the Shared Collateral for the benefit of the Second Priority Representatives or the Second Priority Debt Parties. The provisions of this Agreement are intended solely to govern the respective Lien priorities as between the Senior Secured Parties and the Second Priority Debt Parties and shall not impose on the Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives, the Second Priority Debt Parties or any agent or trustee therefor any obligations in respect of the disposition of Proceeds of any Shared Collateral which would conflict with prior perfected claims therein in favor of any other Person or any order or decree of any court or governmental authority or any applicable law.

SECTION 2.06. Certain Cash Collateral . Notwithstanding anything in this Agreement or any other Senior Debt Documents or Second Priority Debt Documents to the contrary, collateral consisting of cash and cash equivalents pledged to secure Credit Agreement Obligations consisting of reimbursement obligations in respect of Letters of Credit or otherwise held by the Administrative Agent or the Senior Collateral Agent pursuant to Section 2.05(j), 2.11(b), 2.18(e) or 2.20(a)(v) of the Credit Agreement (or any equivalent successor provision) shall be applied as specified in such Section of the Credit Agreement and will not constitute Shared Collateral.

ARTICLE III

Enforcement

SECTION 3.01. Exercise of Remedies . (a) So long as the Discharge of Senior Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against Holdings, the Borrower or any other Grantor, (i) neither any Second Priority Representative nor any Second Priority Debt Party will (x) exercise or seek to exercise any rights or remedies (including setoff) with respect to any Shared Collateral in respect of any Second Priority Debt Obligations, or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), (y) contest, protest or object to any foreclosure proceeding or action brought with respect to the Shared Collateral or any other Senior Collateral by the Senior Collateral Agent, any Senior Representative or any Senior Secured Party in respect of the Senior Obligations, the exercise of any right by the Senior Collateral Agent, any Senior Representative or any Senior Secured Party (or any agent or sub-agent on their behalf) in respect of the Senior Obligations under any lockbox agreement, control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which the Senior Collateral Agent, any Senior Representative or any Senior Secured Party either is a party or may have rights as a third party beneficiary, or any other exercise by any such party of any rights and remedies relating to the Shared Collateral under the Senior Debt Documents or otherwise in respect of the Senior Collateral or the Senior Obligations, or (z) object to the forbearance by the Senior Collateral Agent, any Senior Representative or any Senior Secured Party from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Shared Collateral in respect of Senior Obligations and (ii) except as otherwise

provided herein, the Senior Collateral Agent, the Senior Representatives and the Senior Secured Parties shall have the exclusive right to enforce rights, exercise remedies (including setoff and the right to credit bid their debt) and make determinations regarding the release, disposition or restrictions with respect to the Shared Collateral without any consultation with or the consent of any Second Priority Representative or any Second Priority Debt Party; provided , however , that the Designated Second Priority Representative may exercise any or all of such rights after the passage of a period of 180 days from the date of delivery to the Senior Collateral Agent of a written notice of the acceleration of the Second Priority Debt Obligations unless the Senior Collateral Agent is at such time diligently exercising its rights and remedies with respect to the Shared Collateral; provided further however , that (A) in any Insolvency or Liquidation Proceeding commenced by or against Holdings, the Borrower or any other Grantor, any Second Priority Representative may file a claim or statement of interest with respect to the Second Priority Debt Obligations under its Second Priority Debt Facility, (B) any Second Priority Representative may take any action (not adverse to the prior Liens on the Shared Collateral securing the Senior Obligations or the rights of the Senior Collateral Agent, the Senior Representatives or the Senior Secured Parties to exercise remedies in respect thereof) in order to create, prove, perfect, preserve or protect (but not enforce) its rights in, and perfection and priority of its Lien on, the Shared Collateral, (C) the Second Priority Representative and any Second Priority Debt Party may exercise their rights and remedies as unsecured creditors to the extent not inconsistent with this Agreement and as provided in Section 5.03, and (D) any Second Priority Representative may exercise the rights and remedies provided for in Section 6.04. In exercising rights and remedies with respect to the Senior Collateral, the Senior Collateral Agent, the Senior Representatives and the Senior Secured Parties may enforce the provisions of the Senior Debt Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of Shared Collateral upon foreclosure, to incur expenses in connection with such sale or disposition and to exercise all the rights and remedies of a secured lender under the Uniform Commercial Code of any applicable jurisdiction and of a secured creditor under Bankruptcy Laws of any applicable jurisdiction.

(b) So long as the Discharge of Senior Obligations has not occurred, each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, agrees that it will not, in the context of its role as secured creditor, take or receive any Shared Collateral or any Proceeds of Shared Collateral in connection with the exercise of any right or remedy (including setoff) with respect to any Shared Collateral in respect of Second Priority Debt Obligations. Without limiting the generality of the foregoing, unless and until the Discharge of Senior Obligations has occurred, except as expressly provided in the provisos in clause (ii) of Section 3.01(a), the sole right of the Second Priority Representatives and the Second Priority Debt Parties with respect to the Shared Collateral is to hold a Lien on the Shared Collateral in respect of Second Priority Debt Obligations pursuant to the Second Priority Debt Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of Senior Obligations has occurred.

(c) Subject to the provisos in clause (ii) of Section 3.01(a), (i) each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that neither such Second Priority Representative nor any such Second Priority Debt Party will take any action that would hinder any exercise of remedies undertaken by the Senior Collateral Agent, any Senior Representative or any Senior Secured Party with respect to the Shared Collateral under the Senior Debt Documents, including any sale, lease, exchange, transfer or other disposition of the Shared Collateral, whether by foreclosure or otherwise, and (ii) each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby waives any and all rights it or any such Second Priority Debt Party may have as a junior lien creditor or otherwise to object to the manner in which the Senior Collateral Agent, the Senior Representatives or the Senior Secured Parties seek to enforce or collect the Senior Obligations or the Liens granted on any of the Senior Collateral, regardless of whether any action or failure to act by or on behalf of the Senior Collateral Agent, any Senior Representative or any other Senior Secured Party is adverse to the interests of the Second Priority Debt Parties.

(d) Each Second Priority Representative hereby acknowledges and agrees that no covenant, agreement or restriction contained in any Second Priority Debt Document shall be deemed to restrict in any way the rights and remedies of the Senior Collateral Agent, the Senior Representatives or the Senior Secured Parties with respect to the Senior Collateral as set forth in this Agreement and the Senior Debt Documents.

(e) Subject to the first proviso in clause (ii) of Section 3.01(a), until the Discharge of Senior Obligations, the Senior Collateral Agent and the Majority Senior Parties (or such other Senior Representative as shall be authorized in accordance with the provisions of the Pari Passu Intercreditor Agreement, if then in effect, to direct the Senior Collateral Agent or otherwise take such action) shall have the exclusive right to exercise any right or remedy with respect to the Shared Collateral and shall have the exclusive right to determine and direct the time, method and place for exercising such right or remedy or conducting any proceeding with respect thereto. Following the Discharge of Senior Obligations, the Second Priority Instructing Group and the Designated Second Priority Representative shall have the exclusive right to exercise any right or remedy with respect to the Collateral, and the Second Priority Instructing Group and Designated Second Priority Representative shall have the exclusive right to direct the time, method and place of exercising or conducting any proceeding for the exercise of any right or remedy available to the Second Priority Debt Parties with respect to the Collateral, or of exercising or directing the exercise of any trust or power conferred on the Second Priority Representatives, or for the taking of any other action authorized by the Second Priority Collateral Documents; provided , however , that nothing in this Section shall impair the right of any Second Priority Representative or other agent or trustee acting on behalf of the Second Priority Debt Parties to take such actions with respect to the Collateral after the Discharge of Senior Obligations as may be otherwise required or authorized pursuant to any intercreditor agreement governing the Second Priority Debt Parties or the Second Priority Debt Obligations.

SECTION 3.02. Cooperation . Subject to the proviso in clause (ii) of Section 3.01(a), each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, agrees that, unless and until the Discharge of Senior Obligations has occurred, it will not commence, or join with any Person (other than the Senior Secured Parties and the Senior Collateral Agent upon the request thereof) in commencing, any enforcement, collection, execution, levy or foreclosure action or proceeding with respect to any Lien held by it in the Shared Collateral under any of the Second Priority Debt Documents or otherwise in respect of the Second Priority Debt Obligations.

SECTION 3.03. Actions upon Breach . Should any Second Priority Representative or any Second Priority Debt Party, contrary to this Agreement, in any way take, attempt to take or threaten to take any action with respect to the Shared Collateral (including any attempt to realize upon or enforce any remedy with respect to this Agreement) or fail to take any action required by this Agreement, the Senior Collateral Agent or any Senior Representative or other Senior Secured Party (in its or their own name or in the name of Holdings, the Borrower or any other Grantor) may obtain relief against such Second Priority Representative or such Second Priority Debt Party by injunction, specific performance or other appropriate equitable relief. Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Facility, hereby (i) agrees that the Senior Secured Parties' damages from the actions of the Second Party Representatives or any Second Priority Debt Party may at that time be difficult to ascertain and may be irreparable and waives any defense that Holdings, the Borrower, any other Grantor or the Senior Secured Parties cannot demonstrate damage or be made whole by the awarding of damages and (ii) irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance in any action that may be brought by the Senior Collateral Agent, any Senior Representative or and Senior Secured Party.

ARTICLE IV

Payments

SECTION 4.01. Application of Proceeds . After an event of default under any Senior Debt Document has occurred and until such event of default is cured or waived, so long as the Discharge of Senior Obligations has not occurred, the Shared Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such Shared Collateral upon the exercise of remedies shall be applied by the Senior Collateral Agent to the Senior Obligations in such order as specified in the relevant Senior Debt Documents until the Discharge of Senior Obligations has occurred. Upon the Discharge of Senior Obligations, the Senior Collateral Agent shall deliver promptly to the Designated Second Priority Representative any Shared Collateral or Proceeds thereof held by it in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct, to be applied by the Designated Second Priority Representative to the Second Priority Debt Obligations in such order as specified in the relevant Second Priority Debt Documents.

SECTION 4.02. Payments Over . Any Shared Collateral or Proceeds thereof received by any Second Priority Representative or any Second Priority Debt Party in connection with the exercise of any right or remedy (including setoff) relating to the Shared Collateral in contravention of this Agreement shall be segregated and held in trust for the benefit of and forthwith paid over to the Senior Collateral Agent for the benefit of the Senior Secured Parties in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The Senior Collateral Agent is hereby authorized to make any such endorsements as agent for each of the Second Priority Representatives or any such Second Priority Debt Party. This authorization is coupled with an interest and is irrevocable.

ARTICLE V

Other Agreements

SECTION 5.01. Releases . (a) Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that, in the event of a sale, transfer or other disposition of any specified item of Shared Collateral, the Liens granted to the Second Priority Representatives and the Second Priority Debt Parties upon such Shared Collateral to secure Second Priority Debt Obligations shall terminate and be released, automatically and without any further action, concurrently with the termination and release of all Liens granted upon such Shared Collateral to secure Senior Obligations. Upon delivery to a Second Priority Representative of an Officer's Certificate stating that any such termination and release of Liens securing the Senior Obligations has become effective (or shall become effective concurrently with such termination and release of the Liens granted to the Second Priority Debt Parties and the Second Priority Representatives) and any necessary or proper instruments of termination or release prepared by Holdings, the Borrower or any other Grantor, such Second Priority Representative will promptly execute, deliver or acknowledge, at Holdings', the Borrower's or the other Grantor's sole cost and expense, such instruments to evidence such termination and release of the Liens. Nothing in this Section 5.01(a) will be deemed to affect any agreement of a Second Priority Representative, for itself and on behalf of the Second Priority Debt Parties under its Second Priority Debt Facility, to release the Liens on the Second Priority Collateral as set forth in the relevant Second Priority Debt Documents.

(b) Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby irrevocably constitutes and appoints the Senior Collateral Agent and any officer or agent of the Senior Collateral Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Second Priority Representative or such Second Priority Debt Party or in the Senior Collateral Agent's own name, from time to time in the Senior Collateral Agent's discretion, for the purpose of carrying out the terms of Section 5.01(a), to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of Section 5.01(a), including any termination statements, endorsements or other instruments of transfer or release.

(c) Unless and until the Discharge of Senior Obligations has occurred, each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby consents to the application, whether prior to or after an event of default under any Senior Debt Document of proceeds of Shared Collateral to the repayment of Senior Obligations pursuant to the Senior Debt Documents, provided that nothing in this Section 5.01(c) shall be construed to prevent or impair the rights of the Second Priority Representatives or the Second Priority Debt Parties to receive proceeds in connection with the Second Priority Debt Obligations not otherwise in contravention of this Agreement.

(d) Notwithstanding anything to the contrary in any Second Priority Collateral Document, in the event the terms of a Senior Collateral Document and a Second Priority Collateral Document each require any Grantor to (i) make payment in respect of any item of Shared Collateral, (ii) deliver or afford control over any item of Shared Collateral to, or deposit any item of Shared Collateral with, (iii) register ownership of any item of Shared Collateral in the name of or make an assignment of ownership of any Shared Collateral or the rights thereunder to, (iv) cause any securities intermediary, commodity intermediary or other Person acting in a similar capacity to agree to comply, in respect of any item of Shared Collateral, with instructions or orders from, or to treat, in respect of any item of Shared Collateral, as the entitlement holder, (v) hold any item of Shared Collateral in trust for (to the extent such item of Shared Collateral cannot be held in trust for multiple parties under applicable law), (vi) obtain the agreement of a bailee or other third party to hold any item of Shared Collateral for the benefit of or subject to the control of or, in respect of any item of Shared Collateral, to follow the instructions of or (vii) obtain the agreement of a landlord with respect to access to leased premises where any item of Shared Collateral is located or waivers or subordination of rights with respect to any item of Shared Collateral in favor of, in any case, both the Senior Collateral Agent and any Second Priority Representative or Second Priority Debt Party, such Grantor may, until the applicable Discharge of Senior Obligations has occurred, comply with such requirement under the Second Priority Collateral Document as it relates to such Shared Collateral by taking any of the actions set forth above only with respect to, or in favor of, the Senior Collateral Agent.

SECTION 5.02. Amendments to Second Priority Collateral Documents . (a) Without the prior written consent of the Senior Collateral Agent and the Majority Senior Parties, no Second Priority Collateral Document may be amended, supplemented or otherwise modified or entered into to the extent such amendment, supplement or modification, or the terms of any new Second Priority Collateral Document, would be prohibited by or inconsistent with any of the terms of this Agreement. The Borrower agrees to deliver to the Senior Collateral Agent copies of (i) any new Second Priority Debt Document and (ii) any amendments, supplements or other modifications to the Initial Second Priority Credit Agreement or any Second Priority Collateral Document related thereto or the principal agreement governing any new class of Second Priority Debt or any Second Priority Collateral Document related thereto, in each case promptly after effectiveness thereof. Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that each Second Priority Collateral Document under its Second Priority Debt Facility shall

include the following language (or language to similar effect reasonably approved by the Senior Collateral Agent):

"Notwithstanding anything herein to the contrary, (i) the liens and security interests granted to the [identify applicable Second Priority Representative] pursuant to this Agreement are expressly subject and subordinate to the liens and security interests granted in favor of the Senior Secured Parties (as defined in the First Lien/Second Lien Intercreditor Agreement referred to below), including liens and security interests granted to JPMorgan Chase Bank, N.A., as administrative agent, pursuant to or in connection with the Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified from time to time), among TriNet HR Corporation, a California corporation (the **"Borrower** "), TriNet Group, Inc., a Delaware corporation (**"Holdings** "), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, and (ii) the exercise of any right or remedy by the [identify applicable Second Priority Representative] hereunder is subject to the limitations and provisions of the First Lien/Second Lien Intercreditor Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified from time to time, the **"First Lien/Second Lien Intercreditor Agreement** "), among the Borrower, Holdings, JPMorgan Chase Bank, N.A., as collateral agent for the Senior Secured Parties and as Representative for the Credit Agreement Secured Parties, Wilmington Trust, National Association, as Representative for the Initial Second Priority Debt Parties, and each additional Second Priority Representative and Senior Representative that from time to time becomes a party thereto pursuant to Section 8.09 thereof. In the event of any conflict between the terms of the First Lien/Second Lien Intercreditor Agreement and the terms of this Agreement, the terms of the First Lien/Second Lien Intercreditor Agreement shall govern."

(b) In the event that the Senior Collateral Agent or the Senior Secured Parties enter into any amendment, waiver or consent in respect of any of the Senior Collateral Documents for the purpose of adding to or deleting from, or waiving or consenting to any departures from any provisions of, any Senior Collateral Document or changing in any manner the rights of the Senior Collateral Agent, the Senior Secured Parties, Holdings, the Borrower or any other Grantor thereunder (including the release of any Liens in Senior Collateral), then such amendment, waiver or consent shall apply automatically to any comparable provision of the comparable Second Priority Collateral Documents without the consent of any Second Priority Representative or any Second Priority Debt Party and without any action by any Second Priority Representative, Holdings, the Borrower or any other Grantor; provided , however , that written notice of such amendment, waiver or consent shall have been given to each Second Priority Representative within 10 Business Days after the effectiveness of such amendment, waiver or consent.

SECTION 5.03. Rights as Unsecured Creditors . Notwithstanding anything to the contrary in this Agreement, the Second Priority Representatives and the Second Priority Debt Parties may exercise rights and remedies as unsecured creditors to the extent not inconsistent with this Agreement against Holdings, the Borrower and any other Grantor and in accordance with the terms of the Second Priority Debt Documents and applicable law. Nothing in this Agreement shall prohibit the receipt by any Second Priority Representative or any Second Priority Debt Party of the required payments of principal, premium, interest, fees and other amounts due under the Second Priority Debt Documents so long as such receipt is not the direct or indirect result of the exercise by a Second Priority Representative or any Second Priority Debt Party of rights or remedies as a secured creditor in respect of Shared Collateral. In the event any Second Priority Representative or any Second Priority Debt Party becomes a judgment lien creditor in respect of Shared Collateral as a result of its enforcement of its rights as an unsecured creditor in respect of Second Priority Debt Obligations, such judgment lien shall be subordinated to the Liens securing Senior Obligations on the same basis as the other Liens securing the Second Priority Debt Obligations are so subordinated to such Liens securing Senior Obligations under this Agreement. Nothing in this Agreement shall impair or otherwise adversely affect any rights or remedies the Senior Collateral Agent, the Senior Representatives or the Senior Secured Parties may have with respect to the Senior Collateral.

SECTION 5.04. Gratuitous Bailee for Perfection . (a) The Senior Collateral Agent acknowledges and agrees that if it shall at any time hold a Lien securing any Senior Obligations on any Shared Collateral that can be perfected by the possession or control of such Shared Collateral or of any account in which such Shared Collateral is held, and if such Shared Collateral or any such account is in fact in the possession or under the control of the Senior Collateral Agent, or of agents or bailees of the Senior Collateral Agent (such Shared Collateral being referred to herein as the **"Pledged or Controlled Collateral"**), or if it shall any time obtain any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral, the Senior Collateral Agent shall also hold such Pledged or Controlled Collateral, or take such actions with respect to such landlord waiver, bailee's letter or similar agreement or arrangement, as sub-agent or gratuitous bailee for the relevant Second Priority Representatives, in each case solely for the purpose of perfecting the Liens granted under the relevant Second Priority Collateral Documents and subject to the terms and conditions of this Section 5.04.

(b) Except as otherwise specifically provided herein, until the Discharge of Senior Obligations has occurred, the Senior Collateral Agent shall be entitled to deal with the Pledged or Controlled Collateral in accordance with the terms of the Senior Debt Documents as if the Liens under the Second Priority Collateral Documents did not exist. The rights of the Second Priority Representatives and the Second Priority Debt Parties with respect to the Pledged or Controlled Collateral shall at all times be subject to the terms of this Agreement.

(c) The Senior Collateral Agent shall have no obligation whatsoever to the Second Priority Representatives or any Second Priority Debt Party to assure that any

of the Pledged or Controlled Collateral is genuine or owned by the Grantors or to protect or preserve rights or benefits of any Person or any rights pertaining to the Shared Collateral, except as expressly set forth in this Section 5.04. The duties or responsibilities of the Senior Collateral Agent under this Section 5.04 shall be limited solely to holding or controlling the Shared Collateral and the related Liens referred to in paragraphs (a) and (b) of this Section 5.04 as subagent and gratuitous bailee for the relevant Second Priority Representative for purposes of perfecting the Lien held by such Second Priority Representative.

(d) The Senior Collateral Agent shall not have by reason of the Second Priority Collateral Documents or this Agreement, or any other document, a fiduciary relationship in respect of any Second Priority Representative or any Second Priority Debt Party, and each, Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby waives and releases the Senior Collateral Agent from all claims and liabilities arising pursuant to the Senior Collateral Agent's role under this Section 5.04 as sub-agent and gratuitous bailee with respect to the Shared Collateral.

(e) Upon the Discharge of Senior Obligations, the Senior Collateral Agent shall, at the Grantors' sole cost and expense, as the case may be, (i) deliver to the Designated Second Priority Representative, to the extent that it is legally permitted to do so, all Shared Collateral, including all proceeds thereof, held or controlled by the Senior Collateral Agent or any of its agents or bailees, including the transfer of possession and control, as applicable, of the Pledged or Controlled Collateral, together with any necessary endorsements and notices to depositary banks, securities intermediaries and commodities intermediaries, and assign its rights under any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral, or (ii) direct and deliver such Shared Collateral as a court of competent jurisdiction may otherwise direct. Holdings, the Borrower and the other Grantors shall take such further action as is required to effectuate the transfer contemplated hereby and shall indemnify the Senior Collateral Agent for loss or damage suffered by the Senior Collateral Agent as a result of such transfer, except for loss or damage suffered by the Senior Collateral Agent as a result of its own wilful misconduct, gross negligence or bad faith. The Senior Collateral Agent has no obligation to follow instructions from the Designated Second Priority Representative in contravention of this Agreement.

(f) Neither the Senior Collateral Agent nor any of the Senior Representatives or Senior Secured Parties shall be required to marshal any present or future collateral security for any obligations of Holdings, the Borrower or any Subsidiary to the Senior Collateral Agent, any Senior Representative or any Senior Secured Party under the Senior Debt Documents or any assurance of payment in respect thereof, or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights in respect of such collateral security or any assurance of payment in respect thereof shall be cumulative and in addition to all other rights, however existing or arising.

SECTION 5.05. When Discharge of Senior Obligations Deemed to Not Have Occurred . If, at any time after the Discharge of Senior Obligations has occurred, Holdings, the Borrower or any Subsidiary incurs any Senior Obligations (other than in respect of the payment of indemnities surviving the Discharge of Senior Obligations), then such Discharge of Senior Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement (other than with respect to any actions taken prior to the date of such designation as a result of the occurrence of such first Discharge of Senior Obligations) and the applicable agreement governing such Senior Obligations shall automatically be treated as a Senior Debt Document for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Shared Collateral set forth herein and the granting by the Senior Collateral Agent of amendments, waivers and consents hereunder and the agent, representative or trustee for the holders of such Senior Obligations shall be the Senior Collateral Agent for all purposes of this Agreement. Upon receipt of notice of such incurrence (including the identity of the new Senior Collateral Agent), each Second Priority Representative (including the Designated Second Priority Representative) shall promptly (a) enter into such documents and agreements (at the expense of the Borrower), including amendments or supplements to this Agreement, as the Borrower or such new Senior Collateral Agent shall reasonably request in writing in order to provide the new Senior Collateral Agent the rights of the Senior Collateral Agent contemplated hereby, (b) deliver to the Senior Collateral Agent, to the extent that it is legally permitted to do so, all Shared Collateral, including all proceeds thereof, held or controlled by such Second Priority Representative or any of its agents or bailees, including the transfer of possession and control, as applicable, of the Pledged or Controlled Collateral, together with any necessary endorsements and notices to depositary banks, securities intermediaries and commodities intermediaries, and assign its rights under any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral, (c) notify any applicable insurance carrier that it is no longer entitled to be a loss payee or additional insured under the insurance policies of any Grantor issued by such insurance carrier and (d) notify any governmental authority involved in any condemnation or similar proceeding involving a Grantor that the new Senior Collateral Agent is entitled to approve any awards granted in such proceeding.

ARTICLE VI

Insolvency or Liquidation Proceedings.

SECTION 6.01. Financing Issues . Until the Discharge of Senior Obligations has occurred, if Holdings, the Borrower or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and the Senior Collateral Agent, any Senior Representative or any Senior Secured Party shall desire to consent (or not object) to the sale, use or lease of cash or other collateral or to consent (or not object) to Holdings', the Borrower's or any other Grantor's obtaining financing under Section 363 or Section 364 of Title 11 of the United States Code or any similar provision of any other Bankruptcy Law (" **DIP Financing** "), then each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that it will raise no objection to and will not otherwise contest such sale, use or lease of

such cash or other collateral or such DIP Financing and, except to the extent permitted by the provisos in clause (ii) of Section 3.01(a) and Section 6.04, will not request adequate protection or any other relief in connection therewith and, to the extent the Liens securing the Senior Obligations under the Credit Agreement or, if no Credit Agreement exists, under the other Senior Debt Documents are subordinated or pari passu with such DIP Financing, will subordinate (and will be deemed hereunder to have subordinated) its Liens in the Shared Collateral to (a) such DIP Financing (and all obligations relating thereto) on the same basis as the Liens securing the Second Priority Debt Obligations are so subordinated to Liens securing Senior Obligations under this Agreement and (b) to any "carve-out" for professional and United States Trustee fees agreed to by the Senior Collateral Agent or the Senior Representatives; provided that (x) such DIP Financing shall not result in the voiding of the Liens under the Second Priority Debt Documents on the Shared Collateral securing the Second Priority Debt Obligations, which Liens shall remain subject to the priority requirements described herein vis-à-vis the Liens securing the Senior Obligations (it being understood that any reduction in the value of the Liens under the Second Priority Debt Parties by virtue of the mere existence of the DIP Financing and the priority Lien securing the obligations thereunder shall not be deemed to void the Liens under the Second Priority Debt Parties for purposes of this clause (x)), and (y) all Liens on Shared Collateral securing any such DIP Financing shall be senior to or on parity with the Liens under the Senior Collateral Documents on the Collateral securing the Senior Obligations and senior to the Liens under the Second Priority Debt Documents on the Collateral securing the Second Priority Debt Obligations.

SECTION 6.02. Relief from the Automatic Stay . Until the Discharge of Senior Obligations has occurred, each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees (a) that none of them shall seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding or take any action in derogation thereof, in each case in respect of any Shared Collateral, without the prior written consent of the Senior Collateral Agent, (b) that none of them will raise objection to (and will not otherwise contest) any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement in respect of Senior Obligations made by the Senior Collateral Agent, any Senior Representative or any other Senior Secured Party and (c) that none of them will raise objection to (and will not otherwise contest) any other request for judicial relief made in any court by any Senior Secured Party relating to the lawful enforcement of any Lien on Senior Collateral.

SECTION 6.03. Sale of Collateral. (a) The Second Priority Representative, as holder of a Lien on the Collateral and on behalf of the Second Priority Debt Parties, agrees that (i) it will raise no objection to (and will not otherwise contest) any lawful exercise by any Senior Secured Party of the right to credit bid Senior Obligations at any sale or foreclosure of Senior Collateral and (ii) it will be deemed to have consented to (and will not otherwise contest or oppose) any order relating to a sale or other disposition of assets of any Grantor for which the Senior Collateral Agent has consented so long as such order provides that, to the extent such sale or other disposition is to be free and clear of Liens, the Liens securing the Senior Obligations and the Second Priority Debt Obligations will attach to any proceeds of the sale on the same basis of

priority as the Liens on the Shared Collateral securing the Senior Obligations rank to the Liens on the Shared Collateral securing the Second Priority Debt Obligations pursuant to this Agreement.

(b) Without prejudice to the enforcement of the Senior Debt Parties' remedies, prior to the discharge of Senior Obligations, the Senior Debt Parties agree that at any time following an acceleration of the Senior Obligations in accordance with the terms of the Senior Debt Documents, the Second Priority Debt Parties shall have the option to purchase, all but not less than all, of the aggregate amount of Senior Obligations outstanding at the time of purchase at par, without warranty or representation or recourse. The Second Priority Debt Parties desiring to exercise such option to purchase all of the Senior Obligations shall deliver a notice (the **"Purchase Notice** ") to the Senior Collateral Agent that (i) is executed by all Second Priority Debt Parties, (ii) states that each such Second Priority Debt Party is irrevocably electing to purchase, in accordance with this Section 6.03(b), the percentage of all of the Senior Obligations set forth in the Purchase Notice (which percentages for all such Second Priority Debt Parties must aggregate exactly 100% of all outstanding Senior Obligations), (iii) includes a representation and warranty by such Second Priority Debt Parties that the Purchase Notice is in conformity with the Senior Debt Documents and any other binding agreement among the Senior Secured Parties, and (iv) designates a purchase date on which the purchase will occur, which date shall be (x) at least five but not more than 15 Business Days after the Senior Collateral Agent's receipt of the Purchase Notice and (y) not more than 60 days after the acceleration of the Senior Obligations in accordance with the terms of the Senior Debt Documents. A Purchase Notice will be ineffective if it is received by the Senior Collateral Agent after the occurrence giving rise to the acceleration of the Senior Obligations is waived, cured or otherwise ceases to exist. Upon the Senior Collateral Agent's receipt of an effective Purchase Notice conforming to this Section 6.03(b), the Second Priority Debt Parties will be irrevocably obligated to purchase, and the Senior Secured Parties will be irrevocably obligated to sell, the Senior Obligations in accordance with and subject to this Section 6.03(b), pursuant to documentation mutually acceptable to each of the Senior Collateral Agent and the Second Priority Designated Representative. Each Senior Secured Party will retain all rights to indemnification provided in the relevant Senior Debt Documents for all claims and other amounts relating to periods prior to the purchase of the Senior Obligations pursuant to this Section 6.03(b). If the Second Priority Debt Parties do not deliver a Purchase Notice in accordance with this Section within 60 days after the acceleration of the Senior Obligations in accordance with the terms of the Senior Debt Documents, the Senior Debt Parties shall have no further obligations pursuant to this clause and may take any further actions in their sole discretion in accordance with the Senior Debt Documents and this Agreement.

SECTION 6.04. Adequate Protection . Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that none of them shall object, contest or support any other Person objecting to or contesting (a) any request by the Senior Collateral Agent, the Senior Representatives or the Senior Secured Parties for adequate protection, (b) any objection by the Senior Collateral Agent, the Senior Representatives or the Senior Secured Parties to any motion, relief, action or proceeding based on the Senior Collateral

Agent's or any Senior Representative's or Senior Secured Party's claiming a lack of adequate protection or (c) the payment of interest, fees, expenses or other amounts of the Senior Collateral Agent, any Senior Representative or any other Senior Secured Party under Section 506(b) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law. Notwithstanding anything contained in this Section 6.04 or in Section 6.01, in any Insolvency or Liquidation Proceeding, (i) if the Senior Secured Parties (or any subset thereof) are granted adequate protection in the form of additional collateral in connection with any DIP Financing or use of cash collateral under Section 363 or 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law and the Senior Collateral Agent and the other Senior Secured Parties do not object to the adequate protection being provided to the Senior Secured Parties, then each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, may seek or request adequate protection in the form of a replacement Lien on such additional collateral, which Lien is subordinated to the Liens securing the Senior Obligations and such DIP Financing (and all obligations relating thereto) on the same basis as the other Liens securing the Second Priority Debt Obligations are so subordinated to the Liens securing Senior Obligations under this Agreement and (ii) in the event any of the Second Priority Representatives, for themselves and on behalf of the Second Priority Debt Parties under their Second Priority Debt Facilities, seek or request adequate protection and such adequate protection is granted in the form of additional collateral, then such Second Priority Representatives, for themselves and on behalf of each Second Priority Debt Party under their Second Priority Debt Facilities, agree that the Senior Collateral Agent shall also be granted a senior Lien on such additional collateral as security for the Senior Obligations and any such DIP Financing and that any Lien on such additional collateral securing the Second Priority Debt Obligations shall be subordinated to the Liens on such collateral securing the Senior Obligations and any such DIP Financing (and all obligations relating thereto) and any other Liens granted to the Senior Secured Parties as adequate protection on the same basis as the other Liens securing the Second Priority Debt Obligations are so subordinated to such Liens securing Senior Obligations under this Agreement.

SECTION 6.05. Preference Issues . If any Senior Secured Party is required in any Insolvency or Liquidation Proceeding or otherwise to disgorge, turn over or otherwise pay any amount to the estate of Holdings, the Borrower or any other Grantor (or any trustee, receiver or similar Person therefor), because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason, any amount (a " **Recovery** "), whether received as proceeds of security, enforcement of any right of setoff or otherwise, then the Senior Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the Senior Secured Parties shall be entitled to a Discharge of Senior Obligations with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby agrees that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this

Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

SECTION 6.06. Separate Grants of Security and Separate Classifications . Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, acknowledges and agrees that (a) the grants of Liens pursuant to the Senior Collateral Documents and the Second Priority Collateral Documents constitute two separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Shared Collateral, the Second Priority Debt Obligations are fundamentally different from the Senior Obligations and must be separately classified in any Chapter 11 plan or similar restructuring plan proposed or adopted in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the Senior Secured Parties and the Second Priority Debt Parties in respect of the Shared Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby acknowledges and agrees that all distributions shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the Shared Collateral (with the effect being that, to the extent that the aggregate value of the Shared Collateral is sufficient (for this purpose ignoring all claims held by the Second Priority Debt Parties), the Senior Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of post-petition interest (whether or not allowed or allowable) before any distribution is made in respect of the Second Priority Debt Obligations), with each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby acknowledging and agreeing to turn over to the Senior Collateral Agent amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Priority Debt Parties.

SECTION 6.07. No Waivers of Rights of Senior Secured Parties . Nothing contained herein shall, except as expressly provided herein, prohibit or in any way limit the Senior Collateral Agent, any Senior Representative or any other Senior Secured Party from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by any Second Priority Debt Party, including the seeking by any Second Priority Debt Party of adequate protection or the asserting by any Second Priority Debt Party of any of its rights and remedies under the Second Priority Debt Documents or otherwise.

SECTION 6.08. Application . This Agreement, which the parties hereto expressly acknowledge is a “subordination agreement” under Section 510(a) of Title 11 of the United States Code or any similar provision of any other Bankruptcy Law, shall be effective before, during and after the commencement of any Insolvency or Liquidation

Proceeding. The relative rights as to the Shared Collateral and proceeds thereof shall continue after the commencement of any Insolvency or Liquidation Proceeding on the same basis as prior to the date of the petition therefor, subject to any court order approving the financing of, or use of cash collateral by, any Grantor. All references herein to any Grantor shall include such Grantor as a debtor-in-possession and any receiver or trustee for such Grantor.

SECTION 6.09. Other Matters . To the extent that any Second Priority Representative or any Second Priority Debt Party has or acquires rights under Section 363 or Section 364 of Title 11 of the United States Code or any similar provision of any other Bankruptcy Law with respect to any of the Shared Collateral, such Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, agrees not to assert any such rights without the prior written consent of the Senior Collateral Agent, provided that if requested by the Senior Collateral Agent, such Second Priority Representative shall timely exercise such rights in the manner requested by the Senior Collateral Agent, including any rights to payments in respect of such rights.

SECTION 6.10. Reorganization Securities . If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a plan of reorganization or similar dispositive restructuring plan, on account of both the Senior Obligations and the Second Priority Debt Obligations, then, to the extent the debt obligations distributed on account of the Senior Obligations and on account of the Second Priority Debt Obligations are secured by Liens upon the same assets or property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

ARTICLE VII

Reliance; etc.

SECTION 7.01. Reliance . The consent by the Senior Secured Parties to the execution and delivery of the Second Priority Debt Documents to which the Senior Secured Parties have consented and all loans and other extensions of credit made or deemed made on and after the date hereof by the Senior Secured Parties to Holdings, the Borrower or any Subsidiary shall be deemed to have been given and made in reliance upon this Agreement. Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, acknowledges that it and such Second Priority Debt Parties have, independently and without reliance on the Senior Collateral Agent or any Senior Representative or other Senior Secured Party, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the Second Priority Debt Documents to which they are party or by which they are bound, this Agreement and the transactions contemplated hereby and thereby, and they will continue to make their own credit decision in taking or not taking any action under the Second Priority Debt Documents or this Agreement.

SECTION 7.02. No Warranties or Liability . Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, acknowledges and agrees that neither the Senior Collateral Agent nor any Senior Representative or other Secured Party has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Senior Debt Documents, the ownership of any Shared Collateral or the perfection or priority of any Liens thereon. The Senior Secured Parties will be entitled to manage and supervise their respective loans and extensions of credit under the Senior Debt Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate, and the Senior Secured Parties may manage their loans and extensions of credit without regard to any rights or interests that the Second Priority Representatives and the Second Priority Debt Parties have in the Shared Collateral or otherwise, except as otherwise provided in this Agreement. Neither the Senior Collateral Agent nor any Senior Representative or other Senior Secured Party shall have any duty to any Second Priority Representative or Second Priority Debt Party to act or refrain from acting in a manner that allows, or results in, the occurrence or continuance of an event of default or default under any agreement with Holdings, the Borrower or any Subsidiary (including the Second Priority Debt Documents), regardless of any knowledge thereof that they may have or be charged with. Except as expressly set forth in this Agreement, the Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties have not otherwise made to each other, nor do they hereby make to each other, any warranties, express or implied, nor do they assume any liability to each other with respect to (a) the enforceability, validity, value or collectibility of any of the Senior Obligations, the Second Priority Debt Obligations or any guarantee or security which may have been granted to any of them in connection therewith, (b) any Grantor's title to or right to transfer any of the Shared Collateral or (c) any other matter except as expressly set forth in this Agreement.

SECTION 7.03. Obligations Unconditional . All rights, interests, agreements and obligations of the Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Senior Debt Document or any Second Priority Debt Document;

(b) any change in the time, manner or place of payment of, or in any other terms of, all or any of the Senior Obligations or Second Priority Debt Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of the Credit Agreement or any other Senior Debt Document or of the terms of any Second Priority Debt Document;

(c) any exchange of any security interest in any Shared Collateral or any other collateral or any amendment, waiver or other modification, whether in writing or by

course of conduct or otherwise, of all or any of the Senior Obligations or Second Priority Debt Obligations or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of Holdings, the Borrower or any other Grantor; or

(e) any other circumstances that otherwise might constitute a defense available to, or a discharge of, (i) Holdings, the Borrower or any other Grantor in respect of the Senior Obligations or (ii) any Second Priority Representative or Second Priority Debt Party in respect of this Agreement.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Conflicts . In the event of any conflict between the provisions of this Agreement and the provisions of any Senior Debt Document or any Second Priority Debt Document, the provisions of this Agreement shall govern.

SECTION 8.02. Continuing Nature of this Agreement; Severability . Subject to Section 5.05, this Agreement shall continue to be effective until the Discharge of Senior Obligations shall have occurred. This is a continuing agreement of Lien subordination, and the Senior Secured Parties may continue, at any time and without notice to the Second Priority Representatives or any Second Priority Debt Party, to extend credit and other financial accommodations and lend monies to or for the benefit of Holdings, the Borrower or any Subsidiary constituting Senior Obligations in reliance hereon. The terms of this Agreement shall survive and continue in full force and effect in any Insolvency or Liquidation Proceeding. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate 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. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8.03. Amendments; Waivers . (a) No failure or delay on the part of any party hereto in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

(b) The Majority Senior Parties (or the Senior Collateral Agent acting with the approval of the Majority Senior Parties) and the Second Priority Instructing Group (and with respect to any such amendment, supplement or waiver (i) which by the terms of this Agreement requires the Borrower's consent or which increases the obligations or reduces the rights of Holdings, the Borrower or any Grantor, with the consent of the Borrower, (ii) which by the terms of this Agreement requires the consent of any Second Priority Representative or which increases the obligations or reduces the rights of a Second Priority Representative, with the consent of such Second Priority Representative, (iii) which by its terms adversely affects the rights of the Second Priority Debt Parties under a particular Second Priority Debt Facility, in a manner materially different from its effect on the other Second Priority Debt Facilities, with the consent of the Representative for such Second Priority Debt Facility and (iv) which by its terms adversely affects the rights of the Senior Secured Parties under a particular Senior Debt Facility in a manner materially different from its effect on the other Senior Debt Facilities, with the consent of the Representative for such Senior Debt Facility) may from time to time amend, supplement or waive any provision hereof. Any such amendment, supplement or waiver shall be in writing and shall be binding upon the Senior Secured Parties and the Second Priority Debt Parties and their respective successors and assigns.

(c) Notwithstanding the foregoing, without the consent of any Secured Party, any Representative may become a party hereto by execution and delivery of a Joinder Agreement in accordance with Section 8.09 of this Agreement and upon such execution and delivery, such Representative and the Secured Parties and Senior Obligations or Second Priority Debt Obligations of the Debt Facility for which such Representative is acting shall be subject to the terms hereof.

SECTION 8.04. Information Concerning Financial Condition of Holdings, the Borrower and the Subsidiaries . The Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties shall each be responsible for keeping themselves informed of (a) the financial condition of Holdings, the Borrower and the Subsidiaries and all endorsers or guarantors of the Senior Obligations or the Second Priority Debt Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the Senior Obligations or the Second Priority Debt Obligations. The Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties shall have no duty to advise any other party hereunder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that the Senior Collateral Agent, any Senior Representative, any Senior Secured Party, any Second Priority Representative or any Second Priority Debt Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to any other party, it shall be under no obligation to (i) make, and the Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties shall not make or be deemed to have made, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (ii) provide any additional information or to provide any such information on any subsequent occasion, (iii) undertake any investigation or (iv) disclose

any information that, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

SECTION 8.05. Subrogation . Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, hereby waives any rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Senior Obligations has occurred.

SECTION 8.06. Application of Payments . Except as otherwise provided herein, all payments received by the Senior Secured Parties may be applied, reversed and reapplied, in whole or in part, to such part of the Senior Obligations as the Senior Secured Parties, in their sole discretion, deem appropriate, consistent with the terms of the Senior Debt Documents. Except as otherwise provided herein, each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, assents to any such extension or postponement of the time of payment of the Senior Obligations or any part thereof and to any other indulgence with respect thereto, to any substitution, exchange or release of any security that may at any time secure any part of the Senior Obligations and to the addition or release of any other Person primarily or secondarily liable therefor.

SECTION 8.07. Additional Grantors . The Grantors agree that, if any Person shall become a Grantor after the date hereof, it will promptly cause such Person to become party hereto by executing and delivering an instrument in the form of Annex II. Upon such execution and delivery, such Person will become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of such instrument shall not require the consent of any other party hereunder, and will be acknowledged by the Designated Second Priority Representative and the Senior Collateral Agent. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

SECTION 8.08. Dealings with Grantors . Upon any application or demand by Holdings, the Borrower or any Grantor to the Senior Collateral Agent, the Majority Senior Parties, the Second Priority Instructing Group or the Designated Second Priority Representative to take or permit any action under any of the provisions of this Agreement or under any Collateral Document (if such action is subject to the provisions hereof), Holdings, the Borrower or such Grantor, as appropriate, shall furnish to the Designated Second Priority Representative or the Senior Collateral Agent a certificate of an appropriate officer (an **"Officer's Certificate"**) stating that all conditions precedent, if any, provided for in this Agreement or such Collateral Document, as the case may be, relating to the proposed action have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Agreement or any Collateral Document relating to such particular application or demand, no additional certificate or opinion need be furnished.

SECTION 8.09. Additional Debt Facilities . (a) To the extent, but only to the extent, permitted by the provisions of the Senior Debt Documents and the Second Priority Debt Documents, Holdings, the Borrower and the other Grantors may incur or issue and sell one or more series or classes of Second Priority Debt and one or more series or classes of Additional Senior Debt. Any such additional class or series of Second Priority Debt (the **"Second Priority Class Debt"**) may be secured by a second priority, subordinated Lien on Shared Collateral, in each case under and pursuant to the relevant Second Priority Collateral Documents for such Second Priority Class Debt, if and subject to the condition that the Representative of any such Second Priority Class Debt (each, a **"Second Priority Class Debt Representative"**), acting on behalf of the holders of such Second Priority Class Debt (such Representative and holders in respect of any Second Priority Class Debt being referred to as the **"Second Priority Class Debt Parties"**), becomes a party to this Agreement by satisfying conditions (i) through (v), as applicable, of Section 8.09(b). Any such additional class or series of Senior Facilities (the **"Senior Class Debt"** ; and the Senior Class Debt and Second Priority Class Debt, collectively, the **"Class Debt"**) may be secured by a senior Lien on Shared Collateral, in each case under and pursuant to the Senior Collateral Documents, if and subject to the condition that the Representative of any such Senior Class Debt (each, a **"Senior Class Debt Representative"** ; and the Senior Class Debt Representatives and Second Priority Class Debt Representatives, collectively, the **"Class Debt Representatives"**), acting on behalf of the holders of such Senior Class Debt (such Representative and holders in respect of any such Senior Class Debt being referred to as the **"Senior Class Debt Parties** ; and the Senior Class Debt Parties and Second Priority Class Debt Parties, collectively, the **"Class Debt Parties"**), becomes a party to this Agreement by satisfying the conditions set forth in clauses (i) through (v), as applicable, of Section 8.09(b).

(b) In order for a Class Debt Representative to become a party to this Agreement:

(i) such Class Debt Representative shall have executed and delivered a Joinder Agreement substantially in the form of Annex III (if such Representative is a Second Priority Class Debt Representative) or Annex IV (if such Representative is a Senior Class Debt Representative) (with such changes as may be reasonably approved by the Senior Collateral Agent and such Class Debt Representative) pursuant to which it becomes a Representative hereunder, and the Class Debt in respect of which such Class Debt Representative is the Representative and the related Class Debt Parties become subject hereto and bound hereby;

(ii) the Borrower shall have delivered to the Senior Collateral Agent and the Designated Second Priority Representative true and complete copies of each of the Second Priority Debt Documents or Senior Debt Documents, as applicable, relating to such Class Debt, certified as being true and correct by the Responsible Officer of the Borrower;

(iii) in the case of any Second Priority Class Debt, all filings, recordations and/or amendments or supplements to the Second Priority Collateral Documents

necessary or desirable in the opinion of the Designated Second Priority Representative to confirm and perfect the second priority Liens securing the relevant Second Priority Debt Obligations relating to such Class Debt shall have been made, executed and/or delivered (or, with respect to any such filings or recordations, acceptable provisions to perform such filings or recordings have been taken in the reasonable judgment of the Designated Second Priority Representative), and all fees and taxes in connection therewith shall have been paid (or acceptable provisions to make such payments have been taken in the reasonable judgment of the Collateral Agent);

(iv) in the case of any Senior Class Debt, all filings, recordations and/or amendments or supplements to the Senior Collateral Documents necessary or desirable in the opinion of the Senior Collateral Agent to confirm and perfect the senior Liens securing the relevant Senior Obligations relating to such Class Debt shall have been made, executed and/or delivered (or, with respect to any such filings or recordations, acceptable provisions to perform such filings or recordings have been taken in the reasonable judgment of the Senior Collateral Agent), and all fees and taxes in connection therewith shall have been paid; and

(v) the Second Priority Debt Documents or Senior Debt Documents, as applicable, relating to such Class Debt shall provide, in a manner reasonably satisfactory to the Senior Collateral Agent and the Designated Second Priority Representative, that each Class Debt Party with respect to such Class Debt will be subject to and bound by the provisions of this Agreement in its capacity as a holder of such Class Debt.

SECTION 8.10. Consent to Jurisdiction; Waivers . The Senior Collateral Agent and each Representative, on behalf of itself and the Secured Parties of the Debt Facility for which it is acting, irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the Collateral Documents, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person (or its Representative) at the address referred to in Section 8.11;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Secured Party) to effect service of process in any other manner permitted by law; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 8.10 any special, exemplary, punitive or consequential damages.

SECTION 8.11. Notices . All notices, requests, demands and other communications provided for or permitted hereunder shall be in writing and shall be sent:

(i) if to Holdings, the Borrower or any other Grantor, to the Borrower, at at 1100 San Leandro Blvd., Suite 400, San Leandro, CA 94577, Attention of William Porter (Tel No. 510-875-7229, Fax No. 510-352-6480);

(ii) if to the Initial Second Priority Representative to it at Wilmington Trust, National Association, 50 South Sixth Street, Suite 1290, Minneapolis, MN 55402, Attention of Renee Kuhl (Fax No.: 612-217-5651, email: rkuhl@wilmingtontrust.com);

(iii) if to the original Senior Collateral Agent or the Administrative Agent, to it at JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 500 Stanton Christiana Road, Ops 2, Newark, DE 19713, Attention of Jonathan Krepol (Tel No.: 302-634-1112, Fax No.: 302-634-3301), with a copy to JPMorgan Chase Bank, N.A., 383 Madison Avenue, New York, New York 10179, Attention of Robert D. Bryant (Tel No.: 212-270-6539, Fax No.: 212-270-5100);

(iv) if to any other Second Priority Representative or Senior Representative, to it at the address specified by it in the Joinder Agreement delivered by it pursuant to Section 8.09.

Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and, may be personally served, telecopied, electronically mailed or sent by courier service or U.S. mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or electronic mail or upon receipt via U.S. mail (registered or certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto shall be as set forth above or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties. As agreed to in writing among the Senior Collateral Agent and each Representative from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable person provided from time to time by such person.

SECTION 8.12. Further Assurances . Each of the Senior Collateral Agent, on behalf of itself and each Senior Secured Party, and each Second Party Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, agrees that it will take such further action and shall execute and

deliver such additional documents and instruments (in recordable form, if requested) as the other parties hereto may reasonably request to effectuate the terms of, and the Lien priorities contemplated by, this Agreement.

SECTION 8.13. **GOVERNING LAW; WAIVER OF JURY TRIAL . (A) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS, EXCEPT AS REQUIRED BY MANDATORY PROVISIONS OF LAW.**

(B) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 8.14. Binding on Successors and Assigns . This Agreement shall be binding upon the Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives, the Second Priority Debt Parties, Holdings, the Borrower, the other Grantors party hereto and their respective successors and assigns.

SECTION 8.15. Section Titles . The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Agreement.

SECTION 8.16. Counterparts . This Agreement may be executed in one or more counterparts, including by means of facsimile, each of which shall be an original and all of which shall together constitute one and the same document. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 8.17. Authorization . By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement. The Senior Collateral Agent represents and warrants that this Agreement is binding upon the Credit Agreement Secured Parties. The Initial Second Priority Representative represents and warrants that this Agreement is binding upon the Initial Second Priority Debt Parties.

SECTION 8.18. No Third Party Beneficiaries; Successors and Assigns . The lien priorities set forth in this Agreement and the rights and benefits hereunder in respect of such lien priorities shall inure solely to the benefit of the Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties, and their respective permitted successors and assigns, and no other Person (including the Grantors, or any trustee, receiver, debtor in possession or bankruptcy estate in a bankruptcy or like proceeding) shall have or be entitled to assert such rights.

SECTION 8.19. Effectiveness . This Agreement shall become effective when executed and delivered by the parties hereto.

SECTION 8.20. Senior Collateral Agent . It is understood and agreed that (a) the Senior Collateral Agent is entering into this Agreement in (i) its capacities as Administrative Agent under the Credit Agreement and the provisions of Article VIII of the Credit Agreement applicable to it as administrative agent thereunder shall also apply to it as Senior Collateral Agent hereunder and (ii) its capacity as collateral agent under the Pari Passu Intercreditor Agreement (if applicable), and the provisions of Article IV of the Pari Passu Intercreditor Agreement applicable to it as collateral agent thereunder shall also apply to it as Senior Collateral Agent hereunder and (b) the Initial Second Priority Representative is entering into this Agreement in its capacity as Representative for the Initial Second Priority Debt Parties and the provisions of Article VIII of the Initial Second Priority Credit Agreement applicable to it as administrative agent thereunder shall also apply to it as Representative for the Initial Second Priority Debt Parties hereunder.

SECTION 8.21. Relative Rights . Notwithstanding anything in this Agreement to the contrary (except to the extent contemplated by Section 5.01(a), 5.01(d) or 5.02(b)), nothing in this Agreement is intended to or will (a) amend, waive or otherwise modify the provisions of the Credit Agreement, any other Senior Debt Document or any Second Priority Debt Documents, or permit Holdings, the Borrower or any Grantor to take any action, or fail to take any action, to the extent such action or failure would otherwise constitute a breach of, or default under, the Credit Agreement or any other Senior Debt Document or any Second Priority Debt Documents, (b) change the relative priorities of the Senior Obligations or the Liens granted under the Senior Collateral Documents on the Shared Collateral (or any other assets) as among the Senior Secured Parties, (c) otherwise change the relative rights of the Senior Secured Parties in respect of the Shared Collateral as among such Senior Secured Parties or (d) obligate Holdings, the Borrower or any Grantor to take any action, or fail to take any action, that would otherwise constitute a breach of, or default under, the Credit Agreement or any other Senior Debt Document or any Second Priority Debt Document.

SECTION 8.22. Survival of Agreement. All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

JPMORGAN CHASE BANK, N.A., as Administrative Agent and Senior Collateral Agent,

by _____
Name:
Title:

by _____
Name:
Title:

TRINET HR CORPORATION ,

by _____
Name:
Title:

TRINET GROUP, INC. ,

by _____
Name:
Title:

THE GRANTORS LISTED ON ANNEX I HERETO ,

by _____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Representative of the Initial Second Priority Debt Parties,

by _____
Name:
Title:

ANNEX I

Grantors

TriNet HR Corporation

TriNet Group, Inc.

TriNet HR V, Inc.

210 Park Avenue Holding, Inc.

Accord Human Resources, Inc.

Accord Human Resources 12, Inc.

SOI Holdings, Inc.

Strategic Outsourcing, Inc.

Ambrose Employer Group, LLC

ANNEX II

SUPPLEMENT NO. [ ] dated as of [ ], 20[ ] to the FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT dated as of August 20, 2013, (the **"First Lien/Second Lien Intercreditor Agreement** "), among TRINET HR CORPORATION, a California corporation (the **"Borrower** "), TRINET GROUP, INC., a Delaware corporation, the other Grantors party thereto, JPMORGAN CHASE BANK, N.A., as collateral agent for the Senior Secured Parties (in such capacity, the **"Senior Collateral Agent** ") and as Representative for the Credit Agreement Secured Parties, WILMINGTON TRUST, NATIONAL ASSOCIATION, as Representative for the Initial Second Priority Debt Parties, and each additional Second Priority Representative and Senior Representative that from time to time becomes a party thereto pursuant to Section 8.09 thereof.

A. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the First Lien/Second Lien Intercreditor Agreement.

B. The Grantors have entered into the First Lien/Second Lien Intercreditor Agreement. Pursuant to the Credit Agreement, certain Additional Senior Debt Documents and certain Second Priority Debt Documents, certain Subsidiaries (as defined in the Credit Agreement) of the Borrower are required to enter into the First Lien/Second Lien Intercreditor Agreement. Section 8.07 of the First Lien/Second Lien Intercreditor Agreement provides that such Subsidiary may become party to the First Lien/Second Lien Intercreditor Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the **"New Grantor** ") is executing this Supplement in accordance with the requirements of the Credit Agreement, the Second Priority Debt Documents and Additional Senior Debt Documents.

Accordingly, the Senior Collateral Agent and the New Grantor agree as follows:

SECTION 1. In accordance with Section 8.07 of the First Lien/Second Lien Intercreditor Agreement, the New Grantor by its signature below becomes a Grantor under the First Lien/Second Lien Intercreditor Agreement with the same force and effect as if originally named therein as a Grantor, and the New Grantor hereby agrees to all the terms and provisions of the First Lien/Second Lien Intercreditor Agreement applicable to it as a Grantor thereunder. Each reference to a "Grantor" in the First Lien/Second Lien Intercreditor Agreement shall be deemed to include the New Grantor. The First Lien/Second Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Grantor represents and warrants to the Senior Collateral Agent and the other Secured Parties that this Supplement has been duly

authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Senior Collateral Agent shall have received a counterpart of this Supplement that bears the signature of the New Grantor. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. Except as expressly supplemented hereby, the First Lien/Second Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the First Lien/Second Lien Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.11 of the First Lien/Second Lien Intercreditor Agreement. All communications and notices hereunder to the New Grantor shall be given to it in care of the Borrower as specified in the First Lien/Second Lien Intercreditor Agreement.

SECTION 8. The Borrower agrees to reimburse the Senior Collateral Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Senior Collateral Agent.

IN WITNESS WHEREOF, the New Grantor, and the Senior Collateral Agent have duly executed this Supplement to the First Lien/Second Lien Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW GRANTOR],

By _____
Name:
Title:

Acknowledged by:

JPMORGAN CHASE BANK, N.A., as Senior Collateral Agent,

By _____
Name:
Title:

[ ], as Designated Second Priority Representative,

By _____
Name:
Title:

ANNEX III

[FORM OF] REPRESENTATIVE SUPPLEMENT NO. [ ] dated as of [ ], 20[ ] to the FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT dated as of August 20, 2013 (the **"First Lien/Second Lien Intercreditor Agreement** "), among TRINET HR CORPORATION, a California corporation (the **"Borrower** "), TRINET GROUP, INC., a Delaware corporation, the other Grantors (as defined therein) party thereto, JPMORGAN CHASE BANK, N.A., as collateral agent for the Senior Secured Parties (as defined therein) (in such capacity, the **"Senior Collateral Agent** ") and as Representative for the Credit Agreement Secured Parties, WILMINGTON TRUST, NATIONAL ASSOCIATION, as Representative for the Initial Second Priority Debt Parties and each additional Second Priority Representative and Senior Representative that from time to time becomes a party thereto pursuant to Section 8.09 thereof.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the First Lien/Second Lien Intercreditor Agreement.

B. As a condition to the ability of the Borrower to incur Second Priority Class Debt and to secure such Second Priority Class Debt with the Second Priority Lien and to have such Second Priority Class Debt guaranteed by the Grantors on a subordinated basis, in each case under and pursuant to the Second Priority Collateral Documents, the Second Priority Class Representative in respect of such Second Priority Class Debt is required to become a Representative under, and such Second Priority Class Debt and the Second Priority Class Debt Parties in respect thereof are required to become subject to and bound by, the First Lien/Second Lien Intercreditor Agreement. Section 8.09 of the First Lien/Second Lien Intercreditor Agreement provides that such Second Priority Class Debt Representative may become a Representative under, and such Second Priority Class Debt and such Second Priority Class Debt Parties may become subject to and bound by, the First Lien/Second Lien Intercreditor Agreement, pursuant to the execution and delivery by the Second Priority Class Debt Representative of an instrument in the form of this Representative Supplement and the satisfaction of the other conditions set forth in Section 8.09 of the First Lien/Second Lien Intercreditor Agreement. The undersigned Second Priority Class Debt Representative (the **"New Representative** ") is executing this Supplement in accordance with the requirements of the Senior Debt Documents and the Second Priority Debt Documents.

Accordingly, the Senior Collateral Agent and the New Representative agree as follows:

SECTION 1. In accordance with Section 8.09 of the First Lien/Second Lien Intercreditor Agreement, the New Representative by its signature below becomes a Representative under, and the related Second Priority Class Debt and Second Priority Class Debt Parties become subject to and bound by, the First Lien/Second Lien

Intercreditor Agreement with the same force and effect as if the New Representative had originally been named therein as a Representative, and the New Representative, on behalf of itself and such Second Priority Class Debt Parties, hereby agrees to all the terms and provisions of the First Lien/Second Lien Intercreditor Agreement applicable to it as a Second Priority Representative and to the Second Priority Class Debt Parties that it represents as Second Priority Debt Parties. Each reference to a " **Representative** " or " **Second Priority Representative** " in the First Lien/Second Lien Intercreditor Agreement shall be deemed to include the New Representative. The First Lien/Second Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants to the Senior Collateral Agent and the other Secured Parties that (i) it has full power and authority to enter into this Representative Supplement, in its capacity as [agent] [trustee], (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Second Priority Debt Documents relating to such Second Priority Class Debt provide that, upon the New Representative's entry into this Agreement, the Second Priority Class Debt Parties in respect of such Second Priority Class Debt will be subject to and bound by the provisions of the First Lien/Second Lien Intercreditor Agreement as Second Priority Debt Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Supplement shall become effective when the Senior Collateral Agent shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile transmission shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the First Lien/Second Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS REPRESENTATIVE SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the First Lien/Second Lien Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.11 of the First Lien/Second Lien Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

SECTION 8. The Borrower agrees to reimburse the Senior Collateral Agent for its reasonable out-of-pocket expenses in connection with this Representative Supplement, including the reasonable fees, other charges and disbursements of counsel for the Senior Collateral Agent.

IN WITNESS WHEREOF, the New Representative and the Senior Collateral Agent have duly executed this Representative Supplement to the First Lien/Second Lien Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW REPRESENTATIVE], as [ ] for the holders of
[ ],

by _____
Name:
Title:

Address for notices:

_____

_____

attention of: _____

Telecopy: _____

JPMORGAN CHASE BANK, N.A.,
as Senior Collateral Agent,

by _____
Name:
Title:

Acknowledged by:

TRINET HR CORPORATION,

by _____
Name:
Title:

TRINET GROUP, INC.,

by _____
Name:
Title:

THE GRANTORS
LISTED ON SCHEDULE I HERETO,

by _____
Name:
Title:

Schedule I to the
Representative Supplement to the
First Lien/Second Lien Intercreditor Agreement

Additional Grantors

[ ]

ANNEX IV

[FORM OF] REPRESENTATIVE SUPPLEMENT NO. [ ] dated as of [ ], 20[ ] to the FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT dated as of August 20, 2013 (the **"First Lien/Second Lien Intercreditor Agreement** "), among TRINET HR CORPORATION, a California corporation (the **"Borrower** "), TRINET GROUP, INC., a Delaware corporation, the other Grantors (as defined therein) party thereto, JPMORGAN CHASE BANK, N.A., as collateral agent for the Senior Secured Parties (as defined therein) (in such capacity, the **"Senior Collateral Agent** ") and as Representative for the Credit Agreement Secured Parties, WILMINGTON TRUST, NATIONAL ASSOCIATION, as Representative for the Initial Second Priority Debt Parties and each additional Second Priority Representative and Senior Representative that from time to time becomes a party thereto pursuant to Section 8.09 thereof.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the First Lien/Second Lien Intercreditor Agreement.

B. As a condition to the ability of the Borrower to incur Senior Class Debt after the date of the First Lien/Second Lien Intercreditor Agreement and to secure such Senior Class Debt with the Senior Lien and to have such Senior Class Debt guaranteed by the Grantors on a senior basis, in each case under and pursuant to the Senior Collateral Documents, the Senior Class Debt Representative in respect of such Senior Class Debt is required to become a Representative under, and such Senior Class Debt and the Senior Class Debt Parties in respect thereof are required to become subject to and bound by, the First Lien/Second Lien Intercreditor Agreement. Section 8.09 of the First Lien/Second Lien Intercreditor Agreement provides that such Senior Class Debt Representative may become a Representative under, and such Senior Class Debt and such Senior Class Debt Parties may become subject to and bound by, the First Lien/Second Lien Intercreditor Agreement, pursuant to the execution and delivery by the Senior Class Debt Representative of an instrument in the form of this Representative Supplement and the satisfaction of the other conditions set forth in Section 8.09 of the First Lien/Second Lien Intercreditor Agreement. The undersigned Senior Class Debt Representative (the **"New Representative** ") is executing this Supplement in accordance with the requirements of the Senior Debt Documents and the Second Priority Debt Documents.

Accordingly, the Senior Collateral Agent and the New Representative agree as follows:

SECTION 1. In accordance with Section 8.09 of the First Lien/Second Lien Intercreditor Agreement, the New Representative by its signature below becomes a Representative under, and the related Senior Class Debt and Senior Class Debt Parties become subject to and bound by, the First Lien/Second Lien Intercreditor Agreement with the same force and effect as if the New Representative had originally been named

therein as a Representative, and the New Representative, on behalf of itself and such Senior Class Debt Parties, hereby agrees to all the terms and provisions of the First Lien/Second Lien Intercreditor Agreement applicable to it as a Senior Representative and to the Senior Class Debt Parties that it represents as Senior Debt Parties. Each reference to a " **Representative** " or " **Senior Representative** " in the First Lien/Second Lien Intercreditor Agreement shall be deemed to include the New Representative. The First Lien/Second Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants to the Senior Collateral Agent and the other Secured Parties that (i) it has full power and authority to enter into this Representative Supplement, in its capacity as [agent] [trustee], (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Senior Debt Documents relating to such Senior Class Debt provide that, upon the New Representative's entry into this Agreement, the Senior Class Debt Parties in respect of such Senior Class Debt will be subject to and bound by the provisions of the First Lien/Second Lien Intercreditor Agreement as Senior Secured Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Supplement shall become effective when the Senior Collateral Agent shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile transmission shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the First Lien/Second Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS REPRESENTATIVE SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the First Lien/Second Lien Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.11 of the First Lien/Second Lien Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

SECTION 8. The Borrower agrees to reimburse the Senior Collateral Agent for its reasonable out-of-pocket expenses in connection with this Representative Supplement, including the reasonable fees, other charges and disbursements of counsel for the Senior Collateral Agent.

IN WITNESS WHEREOF, the New Representative and the Senior Collateral Agent have duly executed this Representative Supplement to the First Lien/Second Lien Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW REPRESENTATIVE], as [ ] for
the holders of
[ ],

by _____
Name:
Title:

Address for notices:

_____

_____

attention of: _____

Telecopy: _____

JPMORGAN CHASE BANK, N.A.,
as Senior Collateral Agent,

by _____
Name:
Title:

Acknowledged by:

TRINET HR CORPORATION,

by _____
Name:
Title:

TRINET GROUP, INC.,

by _____
Name:
Title:

THE GRANTORS
LISTED ON SCHEDULE I HERETO,

by _____
Name:
Title:

Schedule I to the
Representative Supplement to the
First Lien/Second Lien Intercreditor Agreement

Additional Grantors

[ ]

EXHIBIT G-2

FORM OF

PARI PASSU INTERCREDITOR AGREEMENT

Among

TRINET HR CORPORATION,

TRINET GROUP, INC.,

the other Grantors party hereto,

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent for the First Lien Secured Parties and
as Authorized Representative for the Credit Agreement Secured Parties,

[ ]
as the Initial Additional Authorized Representative

and

each additional Authorized Representative from time to time party hereto

dated as of [ ], 20[ ]

PARI PASSU INTERCREDITOR AGREEMENT dated as of [ ], 20[ ] (as amended, supplemented or otherwise modified from time to time, this " **Agreement** "), among TRINET HR CORPORATION, a California corporation (the " **Borrower** "), TRINET GROUP, INC., a Delaware corporation (" **Holdings** "), the other Grantors (as defined herein) party hereto, JPMORGAN CHASE BANK, N.A., as collateral agent for the First Lien Secured Parties (as defined herein) (in such capacity, the " **Collateral Agent** ") and as Authorized Representative for the Credit Agreement Secured Parties (in such capacity, the " **Administrative Agent** "), [INSERT NAME AND CAPACITY], as Authorized Representative for the Initial Additional First Lien Secured Parties (in such capacity and together with its successors in such capacity, the " **Initial Additional Authorized Representative** "), and each additional Authorized Representative from time to time party hereto for the Additional First Lien Secured Parties of the Series with respect to which it is acting in such capacity.

In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Collateral Agent, the Administrative Agent (for itself and on behalf of the Credit Agreement Secured Parties), the Initial Additional Authorized Representative (for itself and on behalf of the Initial Additional First Lien Secured Parties) and each additional Authorized Representative (for itself and on behalf of the Additional First Lien Secured Parties of the applicable Series) agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Defined Terms . Capitalized terms used but not otherwise defined herein have the meanings set forth in the Credit Agreement or the Collateral Agreement, as applicable, or, if defined in the New York UCC, and not otherwise defined herein, in the Credit Agreement or the Collateral Agreement, the meanings specified therein. As used in this Agreement, the following terms have the meanings specified below:

" **Additional First Lien Documents** " means, with respect to any Series of Additional First Lien Obligations, the notes, credit agreements, indentures, security documents and other operative agreements evidencing or governing such Indebtedness, including the Initial Additional First Lien Documents and each other agreement entered into for the purpose of securing any Series of Additional First Lien Obligations.

" **Additional First Lien Obligations** " means, with respect to any Series of Additional First Lien Obligations, (a) all principal of, and interest (including any interest which accrues after the commencement of any Bankruptcy Case, whether or not allowed

or allowable as a claim in any such proceeding) payable with respect to, such Additional First Lien Obligations, (b) all other amounts payable to the related Additional First Lien Secured Parties under the related Additional First Lien Documents and (c) any renewals or extensions of the foregoing.

" **Additional First Lien Secured Party** " means the holders of any Additional First Lien Obligations and any Authorized Representative with respect thereto and shall include the Initial Additional First Lien Secured Parties.

" **Administrative Agent** " has the meaning assigned to such term in the introductory paragraph of this Agreement and shall include any successors thereto as provided in Article VIII of the Credit Agreement.

" **Agreement** " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" **Applicable Authorized Representative** " means, with respect to any Shared Collateral, (i) until the earlier of (x) the Discharge of Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Administrative Agent, and (ii) from and after the earlier of (x) the Discharge of Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Major Non-Controlling Authorized Representative.

" **Authorized Representative** " means (i) in the case of any Credit Agreement Obligations or the Credit Agreement Secured Parties, the Administrative Agent, (ii) in the case of the Initial Additional First Lien Obligations or the Initial Additional First Lien Secured Parties, the Initial Additional Authorized Representative, and (iii) in the case of any Series of Additional First Lien Obligations or Additional First Lien Secured Parties that become subject to this Agreement after the date hereof, the Authorized Representative named for such Series in the applicable Joinder Agreement.

" **Bankruptcy Case** " has the meaning assigned to such term in Section 2.05(b).

" **Bankruptcy Code** " means title 11 of the United States Code, as amended.

" **Bankruptcy Law** " means the Bankruptcy Code and any similar Federal, state or foreign law for the relief of debtors.

" **Borrower** " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" **Collateral** " means all assets and properties subject to Liens created pursuant to any First Lien Security Document to secure one or more Series of First Lien Obligations.

“ **Collateral Agent** ” has the meaning assigned to such term in the introductory paragraph of this Agreement.

“ **Collateral Agreement** ” means the “Collateral Agreement” as defined in the Credit Agreement.

“ **Controlling Secured Parties** ” means, with respect to any Shared Collateral, the Series of First Lien Secured Parties whose Authorized Representative is the Applicable Authorized Representative for such Shared Collateral.

“ **Credit Agreement** ” means that certain First Lien Credit Agreement dated as of August [•], 2013, among the Borrower, Holdings, the lenders from time to time party thereto and the Administrative Agent, as amended, restated, extended, supplemented or otherwise modified from time to time, and any credit agreement which has been designated as the “Credit Agreement” pursuant to the definition of Discharge of Credit Agreement Obligations.

“ **Credit Agreement Obligations** ” means the “Obligations” as defined in the Credit Agreement.

“ **Credit Agreement Secured Parties** ” means the “Secured Parties” as defined in the Credit Agreement.

“ **DIP Financing** ” has the meaning assigned to such term in Section 2.05(b).

“ **DIP Financing Liens** ” has the meaning assigned to such term in Section 2.05(b).

“ **DIP Lenders** ” has the meaning assigned to such term in Section 2.05(b).

“ **Discharge** ” means, with respect to any Shared Collateral and any Series of First Lien Obligations, the date on which such Series of First Lien Obligations is no longer secured by such Shared Collateral. The term “ **Discharged** ” shall have a corresponding meaning.

“ **Discharge of Credit Agreement Obligations** ” means, with respect to any Shared Collateral, the Discharge of the Credit Agreement Obligations with respect to such Shared Collateral; provided that the Discharge of Credit Agreement Obligations shall not be deemed to have occurred in connection with a Refinancing of such Credit Agreement Obligations with additional First Lien Obligations secured by such Shared Collateral under an Additional First Lien Document which has been designated in writing by the Administrative Agent (under the Credit Agreement so Refinanced) to the Collateral Agent and each other Authorized Representative as the “Credit Agreement” for purposes of this Agreement.

“ **Event of Default** ” means an “Event of Default” as defined in any Secured Credit Document.

" **First Lien Obligations** " means, collectively, (i) the Credit Agreement Obligations and (ii) each Series of Additional First Lien Obligations.

First Lien/Second Lien Intercreditor Agreement " means the "First Lien/Second Lien Intercreditor Agreement" as defined in the Credit Agreement.

" **First Lien Secured Parties** " means (i) the Credit Agreement Secured Parties and (ii) the Additional First Lien Secured Parties with respect to each Series of Additional First Lien Obligations.

" **First Lien Security Documents** " means the Collateral Agreement, the other Security Documents (as defined in the Credit Agreement) and each other agreement entered into in favor of the Collateral Agent for the purpose of securing any Series of First Lien Obligations and the First Lien/Second Lien Intercreditor Agreement.

" **Grantors** " means Holdings, the Borrower and each Guarantor which has granted a security interest pursuant to any First Lien Security Document to secure any Series of First Lien Obligations. The Grantors existing on the date hereof are set forth in Annex I hereto.

" **Guarantors** " means the "Guarantors" as defined in the Collateral Agreement.

" **Impairment** " has the meaning assigned to such term in Section 1.03.

" **Initial Additional Authorized Representative** " has the meaning assigned to such term in the introductory paragraph to this Agreement.

" **Initial Additional First Lien Documents** " means that certain [[Loan Agreement] dated as of [ ], 20[ ] among the [Borrower], [the Guarantors identified therein] and [ ], as administrative agent, as amended, restated and supplemented from time to time] [[Indenture] dated as of [ ], 20[ ], among the [Borrower], [the Guarantors identified therein,] [ ], as [trustee], and [ ], as [paying agent, registrar and transfer agent]] and any notes, security documents and other operative agreements evidencing or governing such Indebtedness, including any agreement entered into for the purpose of securing the Initial Additional First Lien Obligations.

" **Initial Additional First Lien Obligations** " means the Additional First Lien Obligations pursuant to the Initial Additional First Lien Documents.

" **Initial Additional First Lien Secured Parties** " means the holders of any Initial Additional First Lien Obligations and the Initial Additional Authorized Representative.

" **Insolvency or Liquidation Proceeding** " means:

(1) any case commenced by or against Holdings, the Borrower or any other Grantor under any Bankruptcy Law, any other proceeding for the

reorganization, recapitalization or adjustment of the assets or liabilities of Holdings, the Borrower or any other Grantor, any receivership or assignment for the benefit of creditors relating to Holdings, the Borrower or any other Grantor or any similar case or proceeding relative to Holdings, the Borrower or any other Grantor or its creditors, as such, in each case whether or not voluntary;

(2) any liquidation or dissolution of assets or liabilities or other winding up of or relating to Holdings, the Borrower or any other Grantor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(3) any other proceeding of any type or nature in which substantially all claims of creditors of Holdings, the Borrower or any other Grantor are determined and any payment or distribution is or may be made on account of such claims.

" **Intervening Creditor** " has the meaning assigned to such term in Section 2.01(a).

" **Joinder Agreement** " means a supplement to this Agreement in the form of Annex II hereof required to be delivered by an Authorized Representative to the Collateral Agent pursuant to Section 5.13 hereof in order to establish an additional Series of Additional First Lien Obligations and become Additional First Lien Secured Parties hereunder.

" **Major Non-Controlling Authorized Representative** " means, with respect to any Shared Collateral, the Authorized Representative of the Series of Additional First Lien Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of First Lien Obligations with respect to such Shared Collateral.

" **New York UCC** " means the Uniform Commercial Code as from time to time in effect in the State of New York.

" **Non-Controlling Authorized Representative** " means, at any time with respect to any Shared Collateral, any Authorized Representative that is not the Applicable Authorized Representative at such time with respect to such Shared Collateral.

" **Non-Controlling Authorized Representative Enforcement Date** " means, with respect to any Non-Controlling Authorized Representative, the date which is 90 days (throughout which 90 day period such Non-Controlling Authorized Representative was the Major Non-Controlling Authorized Representative) after the occurrence of both (i) an Event of Default (under and as defined in the Additional First Lien Document under which such Non-Controlling Authorized Representative is the Authorized Representative) and (ii) the Collateral Agent's and each other Authorized Representative's receipt of written notice from such Non-Controlling Authorized Representative certifying that (x) such Non-Controlling Authorized Representative is the Major Non-Controlling Authorized Representative and that an Event of Default (under and as defined in the Additional First Lien Document under which such Non-Controlling

Authorized Representative is the Authorized Representative) has occurred and is continuing and (y) the First Lien Obligations of the Series with respect to which such Non-Controlling Authorized Representative is the Authorized Representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable Additional First Lien Document; provided that the Non-Controlling Authorized Representative Enforcement Date shall be stayed and shall not occur and shall be deemed not to have occurred with respect to any Shared Collateral (1) at any time the Administrative Agent or the Collateral Agent has commenced and is diligently pursuing any enforcement action with respect to such Shared Collateral or (2) at any time the Grantor which has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any Insolvency or Liquidation Proceeding.

" **Non-Controlling Secured Parties** " means, with respect to any Shared Collateral, the First Lien Secured Parties which are not Controlling Secured Parties with respect to such Shared Collateral.

" **Possessory Collateral** " means any Shared Collateral in the possession of the Collateral Agent (or its agents or bailees), to the extent that possession thereof perfects a Lien thereon under the Uniform Commercial Code of any jurisdiction. Possessory Collateral includes any certificated securities, promissory notes and instruments, in each case, delivered to or in the possession of the Collateral Agent under the terms of the First Lien Security Documents.

" **Proceeds** " has the meaning assigned to such term in Section 2.01 hereof.

" **Refinance** " means, in respect of any indebtedness, to refinance, extend, renew, defease, amend, increase, modify, supplement, restructure, refund, replace or repay, or to issue other indebtedness or enter alternative financing arrangements, in exchange or replacement for such indebtedness (in whole or in part), including by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, and including in each case, but not limited to, after the original instrument giving rise to such indebtedness has been terminated and including, in each case, through any credit agreement, indenture or other agreement. " **Refinanced** " and " **Refinancing** " have correlative meanings.

" **Secured Credit Document** " means (i) the Credit Agreement and each other Loan Document (as defined in the Credit Agreement), (ii) each Initial Additional First Lien Document and (iii) each Additional First Lien Document.

" **Senior Class Debt** " has the meaning assigned to such term in Section 5.13.

" **Senior Class Debt Parties** " has the meaning assigned to such term in Section 5.13.

" **Senior Class Debt Representative** " has the meaning assigned to such term in Section 5.13.

" **Senior Lien** " means the Liens on the Collateral in favor of the First Lien Secured Parties under the First Lien Security Documents.

" **Series** " means (a) with respect to the First Lien Secured Parties, each of (i) the Credit Agreement Secured Parties (in their capacities as such), (ii) the Initial Additional First Lien Secured Parties (in their capacity as such) and (iii) the Additional First Lien Secured Parties that become subject to this Agreement after the date hereof that are represented by a common Authorized Representative (in its capacity as such for such Additional First Lien Secured Parties) and (b) with respect to any First Lien Obligations, each of (i) the Credit Agreement Obligations, (ii) the Initial Additional First Lien Obligations and (iii) the Additional First Lien Obligations incurred pursuant to any Additional First Lien Document, which pursuant to any Joinder Agreement, are to be represented hereunder by a common Authorized Representative (in its capacity as such for such Additional First Lien Obligations).

" **Shared Collateral** " means, at any time, Collateral in which the holders of two or more Series of First Lien Obligations (or their respective Authorized Representatives) hold a valid and perfected security interest at such time. If more than two Series of First Lien Obligations are outstanding at any time and the holders of less than all Series of First Lien Obligations hold a valid and perfected security interest in any Collateral at such time, then such Collateral shall constitute Shared Collateral for those Series of First Lien Obligations that hold a valid security interest in such Collateral at such time and shall not constitute Shared Collateral for any Series which does not have a valid and perfected security interest in such Collateral at such time.

SECTION 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument, other document, statute or regulation herein shall be construed as referring to such agreement, instrument, other document, statute or regulation as from time to time amended, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, but shall not be deemed to include the subsidiaries of such Person unless express reference is made to such subsidiaries, (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Articles, Sections and Annexes shall be construed to refer to Articles, Sections and Annexes of this Agreement, (v) unless otherwise expressly qualified herein, the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (vi) the term "or" is not exclusive.

SECTION 1.03. Impairments. It is the intention of the First Lien Secured Parties of each Series that the holders of First Lien Obligations of such Series (and not

the First Lien Secured Parties of any other Series) bear the risk of (i) any determination by a court of competent jurisdiction that (x) any of the First Lien Obligations of such Series are unenforceable under applicable law or are subordinated to any other obligations (other than another Series of First Lien Obligations), (y) any of the First Lien Obligations of such Series do not have an enforceable security interest in any of the Collateral securing any other Series of First Lien Obligations and/or (z) any intervening security interest exists securing any other obligations (other than another Series of First Lien Obligations) on a basis ranking prior to the security interest of such Series of First Lien Obligations but junior to the security interest of any other Series of First Lien Obligations or (ii) the existence of any Collateral for any other Series of First Lien Obligations that is not Shared Collateral (any such condition referred to in the foregoing clauses (i) or (ii) with respect to any Series of First Lien Obligations, an " **Impairment** " of such Series). In the event of any Impairment with respect to any Series of First Lien Obligations, the results of such Impairment shall be borne solely by the holders of such Series of First Lien Obligations, and the rights of the holders of such Series of First Lien Obligations (including the right to receive distributions in respect of such Series of First Lien Obligations pursuant to Section 2.01) set forth herein shall be modified to the extent necessary so that the effects of such Impairment are borne solely by the holders of the Series of such First Lien Obligations subject to such Impairment. Additionally, in the event the First Lien Obligations of any Series are modified pursuant to applicable law (including, without limitation, pursuant to Section 1129 of the Bankruptcy Code), any reference to such First Lien Obligations or the First Lien Documents governing such First Lien Obligations shall refer to such obligations or such documents as so modified.

ARTICLE II

Priorities and Agreements with Respect to Shared Collateral

SECTION 2.01. Priority of Claims. (a) Anything contained herein or in any of the Secured Credit Documents to the contrary notwithstanding (but subject to Section 1.03), if an Event of Default has occurred and is continuing, and the Collateral Agent or any First Lien Secured Party is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made in respect of any Shared Collateral in any Bankruptcy Case of Holdings, the Borrower or any other Grantor or any First Lien Secured Party receives any payment pursuant to any intercreditor agreement (other than this Agreement) with respect to any Shared Collateral, the proceeds of any sale, collection or other liquidation of any such Collateral by any First Lien Secured Party or received by the Collateral Agent or any First Lien Secured Party pursuant to any such intercreditor agreement with respect to such Shared Collateral and proceeds of any such distribution (subject, in the case of any such distribution, to the sentence immediately following) to which the First Lien Obligations are entitled under any intercreditor agreement (other than this Agreement) (all proceeds of any sale, collection or other liquidation of any Collateral and all proceeds of any such distribution being collectively referred to as " **Proceeds** "), shall be applied (i) FIRST, to the payment of all amounts owing to the Collateral Agent (in its capacity as such) pursuant to the terms of any Secured Credit Document, (ii) SECOND, subject to Section 1.03, to the payment in full of the First Lien Obligations of each Series on a ratable basis in accordance with the

terms of the applicable Secured Credit Documents and (iii) THIRD, after payment of all First Lien Obligations, to Holdings, the Borrower and the other Grantors or their successors or assigns, as their interests may appear, or to whosoever may be lawfully entitled to receive the same pursuant to the First Lien/Second Lien Intercreditor Agreement, if applicable, or otherwise, or as a court of competent jurisdiction may direct. Notwithstanding the foregoing, with respect to any Shared Collateral upon which a third party (other than a First Lien Secured Party) has a lien or security interest that is junior in priority to the security interest of any Series of First Lien Obligations, after giving effect to the First Lien/Second Lien Intercreditor Agreement, if applicable, but senior (as determined by appropriate legal proceedings in the case of any dispute) to the security interest of any other Series of First Lien Obligations (such third party an " **Intervening Creditor** "), the value of any Shared Collateral or Proceeds which are allocated to such Intervening Creditor shall be deducted on a ratable basis solely from the Shared Collateral or Proceeds to be distributed in respect of the Series of First Lien Obligations with respect to which such Impairment exists.

(b) It is acknowledged that the First Lien Obligations of any Series may, subject to the limitations set forth in the then extant Secured Credit Documents, be increased, extended, renewed, replaced, restated, supplemented, restructured, repaid, refunded, Refinanced or otherwise amended or modified from time to time, all without affecting the priorities set forth in Section 2.01(a) or the provisions of this Agreement defining the relative rights of the First Lien Secured Parties of any Series.

(c) Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens securing any Series of First Lien Obligations granted on the Shared Collateral and notwithstanding any provision of the Uniform Commercial Code of any jurisdiction, or any other applicable law or the Secured Credit Documents or any defect or deficiencies in the Liens securing the First Lien Obligations of any Series or any other circumstance whatsoever (but, in each case, subject to Section 1.03), each First Lien Secured Party hereby agrees that the Liens securing each Series of First Lien Obligations on any Shared Collateral shall be of equal priority.

(d) Notwithstanding anything in this Agreement or any other First Lien Security Documents to the contrary, Collateral consisting of cash and cash equivalents pledged to secure Credit Agreement Obligations consisting of reimbursement obligations in respect of Letters of Credit or otherwise held by the Administrative Agent or the Collateral Agent pursuant to Section 2.05(j), 2.11(b), 2.18(e) or 2.20(a)(v) of the Credit Agreement (or any equivalent successor provision) shall be applied as specified in such Section of the Credit Agreement and will not constitute Shared Collateral.

SECTION 2.02. Actions with Respect to Shared Collateral; Prohibition on Contesting Liens. (a) With respect to any Shared Collateral, (i) only the Collateral Agent shall act or refrain from acting with respect to the Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral), and then only on the instructions of the Applicable Authorized Representative, (ii) the

Collateral Agent shall not follow any instructions with respect to such Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral) from any Non-Controlling Authorized Representative (or any other First Lien Secured Party other than the Applicable Authorized Representative) and (iii) no Non-Controlling Authorized Representative or other First Lien Secured Party (other than the Applicable Authorized Representative) shall or shall instruct the Collateral Agent to, commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral), whether under any First Lien Security Document, applicable law or otherwise, it being agreed that only the Collateral Agent, acting on the instructions of the Applicable Authorized Representative and in accordance with the applicable First Lien Security Documents, shall be entitled to take any such actions or exercise any such remedies with respect to Shared Collateral. Notwithstanding the equal priority of the Liens, the Collateral Agent (acting on the instructions of the Applicable Authorized Representative) may deal with the Shared Collateral as if such Applicable Authorized Representative had a senior Lien on such Collateral. No Non-Controlling Authorized Representative or Non-Controlling Secured Party will contest, protest or object to any foreclosure proceeding or action brought by the Collateral Agent, Applicable Authorized Representative or Controlling Secured Party or any other exercise by the Collateral Agent, Applicable Authorized Representative or Controlling Secured Party of any rights and remedies relating to the Shared Collateral, or to cause the Collateral Agent to do so. The foregoing shall not be construed to limit the rights and priorities of any First Lien Secured Party, Collateral Agent or Authorized Representative with respect to any collateral not constituting Shared Collateral.

(b) Each of the Authorized Representatives agrees that it will not accept any Lien on any collateral for the benefit of any Series of First Lien Obligations (other than funds deposited for the discharge or defeasance of any Additional First Lien Document) other than pursuant to the First Lien Security Documents and pursuant to Section 2.05(j), 2.11(b), 2.18(e) or 2.20(a)(v) of the Credit Agreement, and by executing this Agreement (or a Joinder Agreement), each Authorized Representative and the Series of First Lien Secured Parties for which it is acting hereunder agree to be bound by the provisions of this Agreement and the other First Lien Security Documents applicable to it.

(c) Each of the First Lien Secured Parties agrees that it will not (and hereby waives any right to) question or contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the perfection, priority, validity, attachment or enforceability of a Lien held by or on behalf of any of the First Lien Secured Parties in all or any part of the Collateral, or the provisions of this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of any of the Collateral Agent or any Authorized Representative to enforce this Agreement.

SECTION 2.03. No Interference; Payment Over. (a) Each First Lien Secured Party agrees that (i) it will not challenge or question in any proceeding the validity or enforceability of any First Lien Obligations of any Series or any First Lien Security Document or the validity, attachment, perfection or priority of any Lien under any First Lien Security Document or the validity or enforceability of the priorities, rights or duties established by or other provisions of this Agreement, (ii) it will not take or cause to be taken any action the purpose or intent of which is, or could be, to interfere, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of the Shared Collateral by the Collateral Agent, (iii) except as provided in Section 2.02, it shall have no right to (A) direct the Collateral Agent or any other First Lien Secured Party to exercise any right, remedy or power with respect to any Shared Collateral (including pursuant to any intercreditor agreement) or (B) consent to the exercise by the Collateral Agent or any other First Lien Secured Party of any right, remedy or power with respect to any Shared Collateral, (iv) it will not institute any suit or assert in any suit, bankruptcy, insolvency or other proceeding any claim against the Collateral Agent or any other First Lien Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral, and none of the Collateral Agent, any Applicable Authorized Representative or any other First Lien Secured Party shall be liable for any action taken or omitted to be taken by the Collateral Agent, such Applicable Authorized Representative or other First Lien Secured Party with respect to any Shared Collateral in accordance with the provisions of this Agreement, (v) it will not seek, and hereby waives any right, to have any Shared Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Collateral and (vi) it will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of any of the Collateral Agent or any other First Lien Secured Party to enforce this Agreement.

(b) Each First Lien Secured Party hereby agrees that if it shall obtain possession of any Shared Collateral or shall realize any proceeds or payment in respect of any such Shared Collateral, pursuant to any First Lien Security Document or by the exercise of any rights available to it under applicable law or in any Insolvency or Liquidation Proceeding or through any other exercise of remedies (including pursuant to any intercreditor agreement), at any time prior to the Discharge of each of the First Lien Obligations, then it shall hold such Shared Collateral, proceeds or payment in trust for the other First Lien Secured Parties and promptly transfer such Shared Collateral, proceeds or payment, as the case may be, to the Collateral Agent, to be distributed in accordance with the provisions of Section 2.01 hereof.

SECTION 2.04. Automatic Release of Liens; Amendments to First Lien Security Documents. (a) If, at any time the Collateral Agent forecloses upon or otherwise exercises remedies against any Shared Collateral resulting in a sale or disposition thereof, then (whether or not any Insolvency or Liquidation Proceeding is pending at the time) the Liens in favor of the Collateral Agent for the benefit of each Series of First Lien Secured Parties upon such Shared Collateral will automatically be

released and discharged; provided that any proceeds of any Shared Collateral realized therefrom shall be applied pursuant to Section 2.01 hereof.

(b) Each First Lien Secured Party agrees that the Applicable Authorized Representative may enter into any amendment (and, upon request by the Applicable Authorized Representative, each other Authorized Representative shall sign a consent to such amendment) to any First Lien Security Document, so long as the Applicable Authorized Representative receives a certificate of the Borrower stating that such amendment is permitted by the terms of each then extant Secured Credit Document. Additionally, each First Lien Secured Party agrees that the Applicable Authorized Representative may enter into any amendment (and, upon request by the Applicable Authorized Representative, each other Authorized Representative shall sign a consent to such amendment) to any First Lien Security Document solely as such First Lien Security Document relates to a particular Series of First Lien Obligations so long as (x) such amendment is in accordance with the Secured Credit Document pursuant to which such Series of First Lien Obligations was incurred and (y) such amendment does not adversely affect the First Lien Secured Parties of any other Series.

(c) Each Authorized Representative agrees to execute and deliver (at the sole cost and expense of the Grantors) all such authorizations and other instruments as shall reasonably be requested by the Collateral Agent to evidence and confirm any release of Shared Collateral or amendment to any First Lien Security Document provided for in this Section.

SECTION 2.05. Certain Agreements with Respect to Bankruptcy or Insolvency Proceedings. (a) This Agreement shall continue in full force and effect notwithstanding the commencement of any proceeding under the Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law by or against Holdings, the Borrower or any of the Subsidiaries.

(b) If Holdings, the Borrower and/or any other Grantor shall become subject to a case (a " **Bankruptcy Case** ") under the Bankruptcy Code and shall, as debtor(s)-in-possession, move for approval of financing (" **DIP Financing** ") to be provided by one or more lenders (the " **DIP Lenders** ") under Section 364 of the Bankruptcy Code or any equivalent provision of any other Bankruptcy Law or the use of cash collateral under Section 363 of the Bankruptcy Code or any equivalent provision of any other Bankruptcy Law, each First Lien Secured Party (other than any Controlling Secured Party) agrees that it will raise no objection to any such financing or to the Liens on the Shared Collateral securing the same (" **DIP Financing Liens** ") or to any use of cash collateral that constitutes Shared Collateral, unless any Controlling Secured Party, or an Authorized Representative of any Controlling Secured Party, shall then oppose or object to such DIP Financing or such DIP Financing Liens or use of cash collateral (and (i) to the extent that such DIP Financing Liens are senior to the Liens on any such Shared Collateral for the benefit of the Controlling Secured Parties, each Non-Controlling Secured Party will subordinate its Liens with respect to such Shared Collateral on the same terms as the Liens of the Controlling Secured Parties (other than any Liens of any First Lien Secured Parties constituting DIP Financing

Liens) are subordinated thereto and (ii) to the extent that such DIP Financing Liens rank pari passu with the Liens on any such Shared Collateral granted to secure the First Lien Obligations of the Controlling Secured Parties, each Non-Controlling Secured Party will confirm the priorities with respect to such Shared Collateral as set forth herein), in each case so long as (A) the First Lien Secured Parties of each Series retain the benefit of their Liens on all such Shared Collateral pledged to the DIP Lenders, including proceeds thereof arising after the commencement of such proceeding, with the same priority vis-a-vis all the other First Lien Secured Parties (other than any Liens of the First Lien Secured Parties constituting DIP Financing Liens) as existed prior to the commencement of the Bankruptcy Case, (B) the First Lien Secured Parties of each Series are granted Liens on any additional collateral pledged to any First Lien Secured Parties as adequate protection or otherwise in connection with such DIP Financing or use of cash collateral, with the same priority vis-a-vis the First Lien Secured Parties as set forth in this Agreement, (C) if any amount of such DIP Financing or cash collateral is applied to repay any of the First Lien Obligations, such amount is applied pursuant to Section 2.01 of this Agreement and (D) if any First Lien Secured Parties are granted adequate protection, including in the form of periodic payments, in connection with such DIP Financing or use of cash collateral, the proceeds of such adequate protection are applied pursuant to Section 2.01 of this Agreement; provided that the First Lien Secured Parties of each Series shall have a right to object to the grant of a Lien to secure the DIP Financing over any Collateral subject to Liens in favor of the First Lien Secured Parties of such Series or its Authorized Representative that shall not constitute Shared Collateral; and provided , further , that the First Lien Secured Parties receiving adequate protection shall not object to any other First Lien Secured Party receiving adequate protection comparable to any adequate protection granted to such First Lien Secured Parties in connection with a DIP Financing or use of cash collateral. Notwithstanding the provisions of Section 2.01 and this Section 2.05, (A) if the First Lien Secured Parties of any Class are granted adequate protection in the form of periodic payments in connection with such DIP Financing or use of cash collateral, the proceeds of such adequate protection shall be for only the account of the Secured Parties of such Class and (B) no First Lien Secured Party of any Class shall be prohibited from seeking adequate protection in the form of periodic payments to the extent that any First Lien Secured Party of any other Class is receiving such payments or objecting to any DIP Financing or use of cash collateral on the basis that any First Lien Secured Party of any other Class is receiving such payments (but the First Lien Secured Parties of such Class are not).

SECTION 2.06. Reinstatement. In the event that any of the First Lien Obligations shall be paid in full and such payment or any part thereof shall subsequently, for whatever reason (including an order or judgment for disgorgement of a preference under the Bankruptcy Code, or any similar law, or the settlement of any claim in respect thereof), be required to be returned or repaid, the terms and conditions of this Article II shall be fully applicable thereto until all such First Lien Obligations shall again have been paid in full in cash.

SECTION 2.07. Insurance. As between the First Lien Secured Parties, the Collateral Agent, acting at the direction of the Applicable Authorized Representative,

shall have the right to adjust or settle any insurance policy or claim covering or constituting Shared Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding affecting the Shared Collateral.

SECTION 2.08. Refinancings. The First Lien Obligations of any Series may be Refinanced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the Refinancing transaction under any Secured Credit Document) of any First Lien Secured Party of any other Series, all without affecting the priorities provided for herein or the other provisions hereof; provided that the Authorized Representative of the holders of any such Refinancing indebtedness shall have executed a Joinder Agreement on behalf of the holders of such Refinancing indebtedness.

SECTION 2.09. Possessory Collateral Agent as Gratuitous Bailee for Perfection. (a) The Collateral Agent agrees to hold any Shared Collateral constituting Possessory Collateral that is part of the Collateral in its possession or control (or in the possession or control of its agents or bailees) as gratuitous bailee for the benefit of each other First Lien Secured Party and any assignee solely for the purpose of perfecting the security interest granted in such Possessory Collateral, if any, pursuant to the applicable First Lien Security Documents, in each case, subject to the terms and conditions of this Section 2.09. Pending delivery to the Collateral Agent, each other Authorized Representative agrees to hold any Shared Collateral constituting Possessory Collateral, from time to time in its possession, as gratuitous bailee for the benefit of each other First Lien Secured Party and any assignee, solely for the purpose of perfecting the security interest granted in such Possessory Collateral, if any, pursuant to the applicable First Lien Security Documents, in each case, subject to the terms and conditions of this Section 2.09.

(b) The duties or responsibilities of the Collateral Agent and each other Authorized Representative under this Section 2.09 shall be limited solely to holding any Shared Collateral constituting Possessory Collateral as gratuitous bailee for the benefit of each other First Lien Secured Party for purposes of perfecting the Lien held by such First Lien Secured Parties therein.

ARTICLE III

Existence and Amounts of Liens and Obligations

SECTION 3.01. Determinations with Respect to Amounts of Liens and Obligations. Whenever the Collateral Agent or any Authorized Representative shall be required, in connection with the exercise of its rights or the performance of its obligations hereunder, to determine the existence or amount of any First Lien Obligations of any Series, or the Shared Collateral subject to any Lien securing the First Lien Obligations of any Series, it may request that such information be furnished to it in writing by each other Authorized Representative and shall be entitled to make such determination on the basis of the information so furnished; provided , however , that if an Authorized Representative shall fail or refuse reasonably promptly to provide the requested information, the

requesting Collateral Agent or Authorized Representative shall be entitled to make any such determination by such method as it may, in the exercise of its good faith judgment, determine, including by reliance upon a certificate of the Borrower. The Collateral Agent and each Authorized Representative may rely conclusively, and shall be fully protected in so relying, on any determination made by it in accordance with the provisions of the preceding sentence (or as otherwise directed by a court of competent jurisdiction) and shall have no liability to any Grantor, any First Lien Secured Party or any other Person as a result of such determination.

ARTICLE IV

The Collateral Agent

SECTION 4.01. Appointment and Authority. (a) Each of the First Lien Secured Parties hereby irrevocably appoints JPMorgan Chase Bank, N.A. to act on its behalf as the Collateral Agent hereunder and under each of the other First Lien Security Documents and authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof or thereof, including for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any Grantor to secure any of the First Lien Obligations, together with such powers and discretion as are reasonably incidental thereto. Each of the First Lien Secured Parties also authorizes JPMorgan Chase Bank, N.A., at the request of the Borrower, to execute and deliver the First Lien/Second Lien Intercreditor Agreement in the capacity as "Senior Collateral Agent", or the equivalent agent, however referred to for the First Lien Secured Parties under such agreement (the " **Senior Collateral Agent** ") and authorizes the Collateral Agent, in accordance with the provisions of this Agreement, to take such actions on its behalf and to exercise such powers as are delegated to, or otherwise given to, the Senior Collateral Agent by the terms of the First Lien/Second Lien Intercreditor Agreement, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Collateral Agent and any co-agents, sub-agents and attorneys-in-fact appointed by the Collateral Agent pursuant to Section 4.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under any of the First Lien Security Documents, or for exercising any rights and remedies thereunder or under the First Lien/Second Lien Intercreditor Agreement at the direction of the Applicable Authorized Representative, shall be entitled to the benefits of all provisions of this Article IV and Article VIII of the Credit Agreement and the equivalent provision of any Additional First Lien Document (as though such co-agents, sub-agents and attorneys-in-fact were the "Collateral Agent" named therein) as if set forth in full herein with respect thereto.

(b) Each Non-Controlling Secured Party acknowledges and agrees that the Collateral Agent shall be entitled, for the benefit of the First Lien Secured Parties, to sell, transfer or otherwise dispose of or deal with any Shared Collateral as provided herein and in the First Lien Security Documents, without regard to any rights to which the holders of the Non-Controlling Secured Obligations would otherwise be entitled as a result of such Non-Controlling Secured Obligations. Without limiting the foregoing, each Non-Controlling Secured Party agrees that none of the Collateral Agent, the

Applicable Authorized Representative or any other First Lien Secured Party shall have any duty or obligation first to marshal or realize upon any type of Shared Collateral (or any other Collateral securing any of the First Lien Obligations), or to sell, dispose of or otherwise liquidate all or any portion of such Shared Collateral (or any other Collateral securing any First Lien Obligations), in any manner that would maximize the return to the Non-Controlling Secured Parties, notwithstanding that the order and timing of any such realization, sale, disposition or liquidation may affect the amount of proceeds actually received by the Non-Controlling Secured Parties from such realization, sale, disposition or liquidation. Each of the First Lien Secured Parties waives any claim it may now or hereafter have against the Collateral Agent or the Authorized Representative of any other Series of First Lien Obligations or any other First Lien Secured Party of any other Series arising out of (i) any actions which the Collateral Agent, any Authorized Representative or any First Lien Secured Party takes or omits to take (including, actions with respect to the creation, perfection or continuation of Liens on any Collateral, actions with respect to the foreclosure upon, sale, release or depreciation of, or failure to realize upon, any of the Collateral and actions with respect to the collection of any claim for all or any part of the First Lien Obligations from any account debtor, guarantor or any other party) in accordance with the First Lien Security Documents or any other agreement related thereto or to the collection of the First Lien Obligations or the valuation, use, protection or release of any security for the First Lien Obligations, (ii) any election by any Applicable Authorized Representative or any holders of First Lien Obligations, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b) of the Bankruptcy Code or (iii) subject to Section 2.05, any borrowing by, or grant of a security interest or administrative expense priority under Section 364 of the Bankruptcy Code or any equivalent provision of any other Bankruptcy Law by, Holdings, the Borrower or any Subsidiary, as debtor-in-possession. Notwithstanding any other provision of this Agreement, the Collateral Agent shall not accept any Shared Collateral in full or partial satisfaction of any First Lien Obligations pursuant to Section 9-620 of the Uniform Commercial Code of any jurisdiction, without the consent of each Authorized Representative representing holders of First Lien Obligations for which such Collateral constitutes Shared Collateral.

(c) Each Authorized Representative acknowledges and agrees that upon execution and delivery of a Joinder Agreement substantially in the form of Annex II by an additional Senior Class Debt Representative, the Collateral Agent and each Grantor in accordance with Section 5.13, the Collateral Agent will continue to act in its capacity as Collateral Agent in respect of the then existing Authorized Representatives and such additional Authorized Representative.

SECTION 4.02. Rights as a First Lien Secured Party. (a) The Person serving as the Collateral Agent hereunder shall have the same rights and powers in its capacity as a First Lien Secured Party under any Series of First Lien Obligations that it holds as any other First Lien Secured Party of such Series and may exercise the same as though it were not the Collateral Agent and the term “First Lien Secured Party” or “First Lien Secured Parties” or (as applicable) “Credit Agreement Secured Party”, “Credit Agreement Secured Parties”, “Additional First Lien Secured Party” or “Additional First

Lien Secured Parties" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Collateral Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Holdings, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Collateral Agent hereunder and without any duty to account therefor to any other First Lien Secured Party.

SECTION 4.03. Exculpatory Provisions. The Collateral Agent shall not have any duties or obligations except those expressly set forth herein and in the other First Lien Security Documents. Without limiting the generality of the foregoing, the Collateral Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other First Lien Security Documents that the Collateral Agent is required to exercise as directed in writing by the Applicable Authorized Representative; provided that the Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any First Lien Security Document or applicable law;

(iii) shall not, except as expressly set forth herein and in the other First Lien Security Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Holdings, the Borrower or any of their Affiliates that is communicated to or obtained by the Person serving as the Collateral Agent or any of its Affiliates in any capacity;

(iv) shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Applicable Authorized Representative or (ii) in the absence of its own gross negligence or wilful misconduct or (iii) in reliance on a certificate of an authorized officer of the Borrower stating that such action is permitted by the terms of this Agreement. The Collateral Agent shall be deemed not to have knowledge of any Event of Default under any Series of First Lien Obligations unless and until notice describing such Event of Default is given to the Collateral Agent by the Authorized Representative of such First Lien Obligations or the Borrower; and

(v) shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other First Lien Security Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein

or the occurrence of any default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other First Lien Security Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the First Lien Security Documents, (v) the value or the sufficiency of any Collateral for any Series of First Lien Obligations or (vi) the satisfaction of any condition set forth in any Secured Credit Document, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent.

SECTION 4.04. Reliance by Collateral Agent. The Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. The Collateral Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 4.05. Delegation of Duties. The Collateral Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other First Lien Security Document by or through any one or more sub-agents appointed by the Collateral Agent. The Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Affiliates of the Collateral Agent and any such sub-agent.

SECTION 4.06. Resignation of Collateral Agent. The Collateral Agent may at any time give notice of its resignation as Collateral Agent under this Agreement and the other First Lien Security Documents (including, if applicable, as Senior Collateral Agent under and as defined in the First Lien/Second Lien Intercreditor Agreement) to each Authorized Representative and the Borrower. Upon receipt of any such notice of resignation, the Applicable Authorized Representative shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in New York, New York, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Applicable Authorized Representative and shall have accepted such appointment within 30 days after the retiring Collateral Agent gives notice of its resignation, then the retiring Collateral Agent may, on behalf of the First Lien Secured Parties, appoint a successor Collateral Agent meeting the qualifications set forth above; provided that if the Collateral Agent shall notify the Borrower and each Authorized Representative that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Collateral Agent shall be discharged from its duties and obligations hereunder and under the other First Lien Security Documents (except that in the case of any collateral security held by the Collateral Agent

on behalf of the First Lien Secured Parties under any of the First Lien Security Documents, the retiring Collateral Agent shall continue to hold such collateral security solely for purposes of maintaining the perfection of the security interests of the First Lien Secured Parties therein until such time as a successor Collateral Agent is appointed but with no obligation to take any further action at the request of the Applicable Authorized Representative or any other First Lien Secured Parties) and (b) all payments, communications and determinations provided to be made by, to or through the Collateral Agent shall instead be made by or to each Authorized Representative directly, until such time as the Applicable Authorized Representative appoints a successor Collateral Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Collateral Agent hereunder and under the First Lien Security Documents (including, if applicable, acting as Senior Collateral Agent under the First Lien/Second Lien Intercreditor Agreement), such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Collateral Agent, and the retiring Collateral Agent shall be discharged from all of its duties and obligations hereunder or under the other First Lien Security Documents (if not already discharged therefrom as provided above in this Section). After the retiring Collateral Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article IV and Article VIII of the Credit Agreement and the equivalent provision of any Additional First Lien Document shall continue in effect for the benefit of such retiring Collateral Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Collateral Agent was acting as Collateral Agent. Upon any notice of resignation of the Collateral Agent hereunder and under the other First Lien Security Documents, the Borrower agrees to use commercially reasonable efforts to transfer (and maintain the validity and priority of) the Liens in favor of the retiring Collateral Agent under the First Lien Security Documents to the successor Collateral Agent.

SECTION 4.07. Non-Reliance on Collateral Agent and Other First Lien Secured Parties. Each First Lien Secured Party acknowledges that it has, independently and without reliance upon the Collateral Agent, any Authorized Representative or any other First Lien Secured Party or any of their Affiliates and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Secured Credit Documents. Each First Lien Secured Party also acknowledges that it will, independently and without reliance upon the Collateral Agent, any Authorized Representative or any other First Lien Secured Party or any of their Affiliates and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Secured Credit Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 4.08. Collateral and Guaranty Matters. Each of the First Lien Secured Parties irrevocably authorizes the Collateral Agent, at its option and in its discretion:

(i) to release any Lien on any property granted to or held by the Collateral Agent under any First Lien Security Document in accordance with Section 2.04 or

upon receipt of a written request from the Borrower stating that the release of such Lien is permitted by the terms of each then extant Secured Credit Document; and

(ii) to release any Grantor from its obligations under the First Lien Security Documents upon receipt of a written request from the Borrower stating that such release is permitted by the terms of each then extant Secured Credit Document.

ARTICLE V

Miscellaneous

SECTION 5.01. Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to Holdings or the Borrower or any other Grantor, to it at [•], Attention of [•] (Fax No. [•]);

(b) if to the Collateral Agent or the Administrative Agent, to JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 500 Stanton Christiana Road, Ops 2, Newark, DE 19713, Attention of Jonathan Krepol (Fax No.: 302-634-3301), with a copy to JPMorgan Chase Bank, N.A., 383 Madison Avenue, New York, New York 10179, Attention of [•] (Fax No. [•]);

(c) if to the Initial Additional Authorized Representative, to it at [ ]; and

(d) if to any other Additional Authorized Representative, to it at the address set forth in the applicable Joinder Agreement.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. Notices and communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by fax shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications to the parties hereunder may be delivered or furnished by electronic communication (including e-mail and Internet and intranet websites) pursuant to procedures approved by the Collateral Agent. The parties hereto may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications or may be rescinded by any such Person by notice to each other such Person.

SECTION 5.02. Waivers; Amendment; Joinder Agreements. (a) No failure or delay on the part of any party hereto in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be terminated, waived, amended or modified (other than pursuant to any Joinder Agreement) except pursuant to an agreement or agreements in writing entered into by each Authorized Representative and the Collateral Agent (and with respect to any such termination, waiver, amendment or modification which by the terms of this Agreement requires the Borrower's consent or which increases the obligations or reduces the rights of Holdings, the Borrower or any other Grantor, with the consent of the Borrower).

(c) Notwithstanding the foregoing, without the consent of any First Lien Secured Party, any Authorized Representative may become a party hereto by execution and delivery of a Joinder Agreement in accordance with Section 5.13 of this Agreement and upon such execution and delivery, such Authorized Representative and the Additional First Lien Secured Parties and Additional First Lien Obligations of the Series for which such Authorized Representative is acting shall be subject to the terms hereof and the terms of the other First Lien Security Documents applicable thereto.

(d) Notwithstanding the foregoing, without the consent of any other Authorized Representative or First Lien Secured Party, the Collateral Agent may effect amendments and modifications to this Agreement to the extent necessary to reflect any incurrence of any Additional First Lien Obligations in compliance with the Credit Agreement and the other Secured Credit Documents.

SECTION 5.03. Parties in Interest. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, as well as the other First Lien Secured Parties, all of whom are intended to be bound by, and to be third party beneficiaries of, this Agreement.

SECTION 5.04. Survival of Agreement. All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

SECTION 5.05. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 5.06. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 5.07. Governing Law; Jurisdiction. This Agreement shall be construed in accordance with and governed by the law of the State of New York.

SECTION 5.08. Submission to Jurisdiction Waivers; Consent to Service of Process. The Collateral Agent and each Authorized Representative, on behalf of itself and the First Lien Secured Parties of the Series for which it is acting, irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person (or its Authorized Representative) at the address referred to in 5.01;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any First Lien Secured Party) to effect service of process in any other manner permitted by law or shall limit the right of any party hereto (or any First Lien Secured Party) to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 5.08 any special, exemplary, punitive or consequential damages.

SECTION 5.09. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 5.10. Headings. Article, Section and Annex headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 5.11. Conflicts. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of any of the other First Lien Security Documents or Secured Credit Documents the provisions of this Agreement shall control.

SECTION 5.12. Provisions Solely to Define Relative Rights. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the First Lien Secured Parties in relation to one another. None of Holdings, the Borrower, any other Grantor or any other creditor thereof shall have any rights or obligations hereunder, except as expressly provided in this Agreement (provided that nothing in this Agreement (other than Section 2.01(a)(iii), 2.04, 2.05, 2.08, 2.09, 4.06, 4.08 or Article V) is intended to or will amend, waive or otherwise modify the provisions of the Credit Agreement or any Additional First Lien Documents), and none of Holdings, the Borrower or any other Grantor may rely on the terms hereof (other than Sections 2.01(a)(iii), 2.04, 2.05, 2.08, 2.09, 4.06, 4.08 and Article V). Nothing in this Agreement is intended to or shall impair the obligations of any Grantor, which are absolute and unconditional, to pay the First Lien Obligations as and when the same shall become due and payable in accordance with their terms.

SECTION 5.13. Additional Senior Debt. To the extent, but only to the extent permitted by the provisions of the Credit Agreement and the Additional First Lien Documents, Holdings, the Borrower and the other Grantors may incur Additional First Lien Obligations. Any such additional class or series of Additional First Lien Obligations (the " **Senior Class Debt** ") may be secured by a Lien by the Grantors on the Collateral and may be Guaranteed by the Grantors on a senior basis, in each case under and pursuant to the First Lien Documents, if and subject to the condition that the Authorized Representative of any such Senior Class Debt (each, a " **Senior Class Debt Representative** "), acting on behalf of the holders of such Senior Class Debt (such Authorized Representative and holders in respect of any Senior Class Debt being referred to as the " **Senior Class Debt Parties** "), becomes a party to this Agreement by satisfying the conditions set forth in clauses (i) through (iv) of the immediately succeeding paragraph.

In order for a Senior Class Debt Representative to become a party to this Agreement,

(i) such Senior Class Debt Representative, the Collateral Agent and each

Grantor shall have executed and delivered an instrument substantially in the form of Annex II (with such changes as may be reasonably approved by the Collateral Agent and such Senior Class Representative) pursuant to which such Senior Class Debt Representative becomes an Authorized Representative hereunder, and the Senior Class Debt in respect of which such Senior Class Debt Representative is the Representative and the related Senior Class Debt Parties become subject hereto and bound hereby;

(ii) the Borrower shall have delivered to the Collateral Agent true and complete copies of each of the Additional First Lien Documents relating to such Senior Class Debt, certified as being true and correct by a Financial Officer of the Borrower;

(iii) all filings, recordations and/or amendments or supplements to the First Lien Security Documents necessary or desirable in the reasonable judgment of the Collateral Agent to confirm and perfect the Liens securing the relevant obligations relating to such Senior Class Debt shall have been made, executed and/or delivered (or, with respect to any such filings or recordations, acceptable provisions to perform such filings or recordings have been taken in the reasonable judgment of the Collateral Agent), and all fees and taxes in connection therewith shall have been paid (or acceptable provisions to make such payments have been taken in the reasonable judgment of the Collateral Agent); and

(iv) the Additional First Lien Documents, as applicable, relating to such Senior Class Debt shall provide, in a manner reasonably satisfactory to the Collateral Agent, that each Senior Class Debt Party with respect to such Senior Class Debt will be subject to and bound by the provisions of this Agreement in its capacity as a holder of such Senior Class Debt.

SECTION 5.14. Additional Grantors . The Grantors agree that, if any Person shall become a Guarantor after the date hereof, it will promptly cause such Person to become party hereto by executing and delivering an instrument in the form of Annex III. Upon such execution and delivery, such Person will become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of such instrument shall not require the consent of any other party hereunder, and will be acknowledged by the Applicable Authorized Representative and the Collateral Agent. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

SECTION 5.15. Integration. This Agreement, together with the other Secured Credit Documents and the First Lien Security Documents, represents the agreement of each of the Grantors and the First Lien Secured Parties with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by any Grantor, the Collateral Agent or any other First Lien Secured Party relative to the subject matter hereof not expressly set forth or referred to herein or in the other Secured Credit Documents or the First Lien Security Documents.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and Collateral Agent,

by _____
Name:
Title:

TRINET HR CORPORATION ,

by _____
Name:
Title:

TRINET GROUP, INC. ,

by _____
Name:
Title:

THE GRANTORS LISTED ON ANNEX I HERETO ,

by _____
Name:
Title:

[ ],
as Initial Additional Authorized Representative

by _____
Name:
Title:

ANNEX I

GRANTORS

[ ]

ANNEX II

[FORM OF] REPRESENTATIVE SUPPLEMENT NO. [ ] dated as of [ ], 20[ ] to the PARI PASSU INTERCREDITOR AGREEMENT dated as of [ ], 20[ ] (the " **Pari Passu Intercreditor Agreement** "), among TRINET HR CORPORATION, a California corporation (the " **Borrower** "), TRINET GROUP, INC., a Delaware corporation, the other Grantors from time to time party thereto, JPMORGAN CHASE BANK, N.A., as Collateral Agent for the First Lien Secured Parties under the First Lien Security Documents (in such capacity, the " **Collateral Agent** ") and as Authorized Representative under the Credit Agreement, [ ], as Initial Additional Authorized Representative, and the additional Authorized Representatives from time to time a party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Pari Passu Intercreditor Agreement.

B. As a condition to the ability of Holdings, the Borrower or other Grantors to incur Additional First Lien Obligations and to secure such Senior Class Debt with the Senior Lien by the Grantors and to have such Senior Class Debt guaranteed by the Grantors on a senior basis, in each case under and pursuant to the First Lien Security Documents, the Senior Class Debt Representative in respect of such Senior Class Debt is required to become an Authorized Representative under, and such Senior Class Debt and the Senior Class Debt Parties in respect thereof are required to become subject to and bound by, the Pari Passu Intercreditor Agreement. Section 5.13 of the Pari Passu Intercreditor Agreement provides that such Senior Class Debt Representative may become an Authorized Representative under, and such Senior Class Debt and such Senior Class Debt Parties may become subject to and bound by, the Pari Passu Intercreditor Agreement, pursuant to the execution and delivery by the Senior Class Representative of an instrument in the form of this Supplement and the satisfaction of the other conditions set forth in Section 5.13 of the Pari Passu Intercreditor Agreement. The undersigned Senior Class Debt Representative (the " **New Representative** ") is executing this Representative Supplement in accordance with the requirements of the Pari Passu Intercreditor Agreement and the First Lien Security Documents.

Accordingly, the Collateral Agent and the New Representative agree as follows:

SECTION 1. In accordance with Section 5.13 of the Pari Passu Intercreditor Agreement, the New Representative by its signature below becomes an Authorized Representative under, and the related Senior Class Debt and Senior Class Debt Parties become subject to and bound by, the Pari Passu Intercreditor Agreement with the same force and effect as if the New Representative had originally been named therein as an Authorized Representative, and the New Representative, on behalf of itself and such Senior Class Debt Parties, hereby agrees to all the terms and provisions of the Pari Passu Intercreditor Agreement applicable to it as an Authorized Representative and to the Senior Class Debt Parties that it represents as Additional First Lien Secured

Parties. Each reference to an " **Authorized Representative** " in the Pari Passu Intercreditor Agreement shall be deemed to include the New Representative. The Pari Passu Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants to the Collateral Agent and the other First Lien Secured Parties that (i) it has full power and authority to enter into this Representative Supplement, in its capacity as [agent] [trustee], (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Additional First Lien Documents relating to such Senior Class Debt provide that, upon the New Representative's entry into this Agreement, the Senior Class Debt Parties in respect of such Senior Class Debt will be subject to and bound by the provisions of the Pari Passu Intercreditor Agreement as Additional First Lien Secured Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Supplement shall become effective when the Collateral Agent shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile or other electronic transmission shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the Pari Passu Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS REPRESENTATIVE SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Pari Passu Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 5.01 of the Pari Passu Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

SECTION 8. The Borrower agrees to reimburse the Collateral Agent for its reasonable out-of-pocket expenses in connection with this Representative Supplement, including the reasonable fees, other charges and disbursements of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Representative and the Collateral Agent have duly executed this Representative Supplement to the Pari Passu Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW REPRESENTATIVE], as
[ ] for the holders of
[ ],

by _____
Name:
Title:

Address for notices:

_____
_____

_____
_____

attention of: _____
_____

Telecopy: _____
_____

Acknowledged by:

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent,

by _____
Name:
Title:

TRINET HR CORPORATION,

by _____
Name:
Title:

TRINET GROUP, INC.,

by _____
Name:
Title:

THE GRANTORS
LISTED ON SCHEDULE I HERETO,

by _____
Name:
Title:

GRANTORS

[ ]

ANNEX III

[FORM OF] SUPPLEMENT NO. dated as of , to the PARI PASSU INTERCREDITOR AGREEMENT dated as of [ ], 20[ ] (the " **Pari Passu Intercreditor Agreement** "), among TRINET HR CORPORATION, a California corporation (the " **Borrower** "), TRINET GROUP, INC., a Delaware corporation, the other Grantors from time to time party thereto, JPMORGAN CHASE BANK, N.A., as Collateral Agent for the First Lien Secured Parties under the First Lien Security Documents (in such capacity, the " **Collateral Agent** ") and as Authorized Representative under the Credit Agreement, [ ], as Initial Additional Authorized Representative, and the additional Authorized Representatives from time to time a party thereto.

A. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Pari Passu Intercreditor Agreement.

B. The Grantors have entered into the Pari Passu Intercreditor Agreement. Pursuant to the Credit Agreement and certain Additional First Lien Documents, any Person that shall become a Guarantor after the date of the Pari Passu Intercreditor Agreement is required to enter into the Pari Passu Intercreditor Agreement. Section 5.14 of the Pari Passu Intercreditor Agreement provides that such Guarantor may become party to the Pari Passu Intercreditor Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Guarantor (the " **New Grantor** ") is executing this Supplement in accordance with the requirements of the Credit Agreement and the Additional First Lien Debt Documents.

Accordingly, the Collateral Agent and the New Grantor agree as follows:

SECTION 1. In accordance with Section 5.14 of the Pari Passu Intercreditor Agreement, the New Grantor by its signature below becomes a Grantor under the Pari Passu Intercreditor Agreement with the same force and effect as if originally named therein as a Grantor, and the New Grantor hereby agrees to all the terms and provisions of the Pari Passu Intercreditor Agreement applicable to it as a Grantor thereunder. Each reference to a "Grantor" in the Pari Passu Intercreditor Agreement shall be deemed to include the New Grantor. The Pari Passu Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Grantor represents and warrants to the Collateral Agent and the other First Lien Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received a counterpart of this Supplement that bears the signature of the New

Grantor. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. Except as expressly supplemented hereby, the Pari Passu Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Pari Passu Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 5.01 of the Pari Passu Intercreditor Agreement. All communications and notices hereunder to the New Grantor shall be given to it in care of the Borrower as specified in the Pari Passu Intercreditor Agreement.

SECTION 8. The Borrower agrees to reimburse the Collateral Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Grantor and the Collateral Agent have duly executed this Supplement to the Pari Passu Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW GRANTOR],

By _____
Name:
Title:

Acknowledged by:

JPMORGAN CHASE BANK, N.A., as Collateral Agent,

By _____
Name:
Title:

[ ], as Initial Additional Authorized Representative,

By _____
Name:
Title:

EXHIBIT H

[FORM OF] INTEREST ELECTION REQUEST

JPMorgan Chase Bank, N.A.,
as Administrative Agent
Loan and Agency Services Group
500 Stanton Christiana Road, Ops 2
Newark, DE 19713
Attention: Jonathan Krepol
Fax: (302) 634-3301

Copy to:

JPMorgan Chase Bank, N.A.,
as Administrative Agent
383 Madison Avenue
New York, New York 10179
Attention: Robert D. Bryant
Fax: (212) 270-5100

[Date]

Ladies and Gentlemen:

Reference is made to the First Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " First Lien Credit Agreement "), among TriNet HR Corporation, TriNet Group, Inc., the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the First Lien Credit Agreement. This notice constitutes an Interest Election Request and the Borrower hereby gives you notice, pursuant to Section 2.07 of the First Lien Credit Agreement, that it requests the conversion or continuation of a Borrowing under the First Lien Credit Agreement, and in that connection the Borrower specifies the following information with respect to such Borrowing and each resulting Borrowing:

1. Borrowing to which this request applies:

   Class: [29]

   _____

   Principal Amount:

   _____

[29] Specify Tranche B-1 Term Borrowing, Tranche B-2 Term Borrowing, Incremental Borrowing or Refinancing Term Loan Borrowing of a particular Series or Revolving Borrowing of a particular Series.

Type: [30]

_____

Interest Period: [31]

_____

2. Effective date of this election: [32]

_____

3. Resulting Borrowing[s] [33]

Class: [34]

_____

Principal Amount: [35]

_____

Type: [36]

_____

Interest Period: [37]

_____

Very truly yours,

TRINET HR CORPORATION,

by _____
Name:
Title:

[30] Specify ABR Borrowing or Eurodollar Borrowing.

[31] In the case of a Eurodollar Borrowing, specify the last day of the current Interest Period therefor.

[32] Must be a Business Day.

[33] If different options are being elected with respect to different portions of the Borrowing, provide the information required by this item 3 for each resulting Borrowing. Each resulting Borrowing shall be in an aggregate amount that is an integral multiple of, and not less than, the amount specified for a Borrowing of such Type in Section 2.02(c) of the First Lien Credit Agreement.

[34] Specify whether the resulting Borrowing is to be a Tranche B-1 Term Borrowing, Tranche B-2 Term Borrowing, Incremental Borrowing or Refinancing Term Loan Borrowing of a particular Series or Revolving Borrowing of a particular Series.

[35] Indicate the principal amount of the resulting Borrowing and the percentage of the Borrowing in item 1 above.

[36] Specify whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing.

[37] Applicable only if the resulting Borrowing is to be a Eurodollar Borrowing, shall be subject to the definition of “Interest Period” and can be a period of one, two, three or six months (or, to the extent made available by all Lenders participating in the requested Borrowing, twelve months), and cannot extend beyond the Maturity Date. If an Interest Period is not specified, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration.

[FORM OF] PERFECTION CERTIFICATE

August 20, 2013

Reference is made to that certain First Lien Credit Agreement, dated as of August 20, 2013 (the "***Credit Agreement***"), among TriNet HR Corporation, a California corporation (the "***Borrower***"), TriNet Group, Inc., a Delaware corporation ("***Holdings***"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders (in such capacity, the "***Administrative Agent***") (the following terms used herein shall have the meaning given to such terms in the Uniform Commercial Code as in effect in the jurisdiction applicable to such Collateral: Certificated Security, Commercial Tort Claims, Deposit Account, Documents, Electronic Chattel Paper, Equipment, Goods, Instruments, Inventory, Letter-of-Credit Right, Securities Account, Securities Intermediary and Tangible Chattel Paper; other capitalized terms not defined herein shall have the meaning given to such terms in the Credit Agreement). Each of Holdings and the Borrower hereby certifies, on behalf of itself and each other Loan Party, as follows:

1. Names/Identification .

(a) In accordance with the USA Patriot Act, for each Loan Party, the information contained on Schedule 1(a) is true and correct.

(b) Except as set forth on Schedule 1(b) hereto, no Loan Party has been party to a merger, consolidation or other change in corporate structure within the past five (5) years.

2. Locations .

(a) Set forth on Schedule 2(a) hereto a list of all locations (including street address) of fee interests in real property owned by any Loan Party with a fair market value equal to or greater than $5,000,000.

(b) Set forth on Schedule 2(b) hereto is a list of all locations (including street address) of real property leased by a Loan Party.

(c) Set forth on Schedule 2(c) hereto is a list of all leased locations (including street address) where a Loan Party maintains any Equipment, Inventory or other tangible personal property with a fair market value equal to or greater than $1,000,000.

(d) Set forth on Schedule 2(d) hereto are the names and addresses of all warehousemen, bailees or other Persons (other than a Loan Party or a Subsidiary) which have possession of any Equipment, Inventory or other tangible personal property owned by any Loan Party or in which any Loan Party has any interest with a fair market value equal to or greater than $1,000,000.

3. **Subsidiaries .** Set forth on Schedule 3 hereto is a complete and accurate list of all Subsidiaries of each Loan Party, together with (a) the jurisdiction of incorporation/formation, (b) the number of shares of each class of capital stock or other Equity Interests outstanding, (c) the number and percentage of outstanding shares of each class owned (directly or indirectly) by such Loan Party and (d) an indication as to whether the shares are certificated.

4. **Other Certificated Securities and Equity Interests .** A complete and accurate list of all Certificated Securities and Equity Interests in any other Person (other than those of a Subsidiary identified pursuant to Section 3 above) owned by each Loan Party.

5. **Instruments, Tangible Chattel Paper and Documents .** A complete and accurate list of all Instruments, Tangible Chattel Paper, Electronic Chattel Paper and Documents owned by each Loan Party is identified on Schedule 5 hereof to the extent any such items has a fair market value (or represents property having a fair market value or an amount payable) equal to or greater than $1,000,000.

6. **Patents, Trademarks, Copyrights .** All patents, trademarks and registered copyrights owned by each Loan Party as of the date hereof, all patent applications, trademark applications and copyright applications made by each Loan Party as of the date hereof and all patent licenses, trademark licenses and copyright licenses to which a third party is granting (or has granted) rights to any Loan Party as of the date hereof are listed on Schedule 6 hereof.

7. **Deposit Accounts .** A complete and accurate list of all Deposit Accounts maintained by each Loan Party with a depository bank is set forth on Schedule 7 hereof, including (a) the financial institution with which such account is maintained, (b) the name of such account, (c) the account number, (d) a recent value for such account (and the date of such value) and (e) whether such account is an Excluded Account, except to the extent that the average daily balance (during any thirty (30) calendar day period) of any single Deposit Account (other than Excluded Accounts) not identified on Schedule 7 exceeds $1,000,000 and, in the aggregate, of the funds held in all such Deposit Accounts and Securities Accounts (in each case, other than Excluded Accounts) not identified on Schedule 7 and Schedule 8 hereto does not exceed $3,000,000.

8. **Securities Accounts .** A complete and accurate list of all Securities Accounts maintained by such Loan Party is set forth on Schedule 8 hereof, including (a) the Securities Intermediary with which such account is maintained, (b) the name of such account, (c) the account number, (d) a recent value for such account (and the date of such value) and (e) whether such account is an Excluded Account, except to the extent that the average daily balance (during any thirty (30) calendar day period) of any single Securities Account (other than Excluded Accounts) not identified on Schedule 8 exceeds $1,000,000 and, in the aggregate, of the funds held in all such Deposit Accounts and Securities Accounts (in each case, other than Excluded Accounts) not identified on Schedule 7 and Schedule 8 hereto does not exceed $3,000,000.

9. **Commercial Tort Claims and Letter of Credit Rights .** A complete and accurate list of (i) all Commercial Tort Claims of any Loan Party with a value equal to or greater than $1,000,000 is set forth on Schedule 9 hereof and (ii) all and/or Letter of Credit Rights is set forth in Schedule 9 hereof.

10. **Insurance .** A complete and accurate list of all insurance polices currently maintained by the Loan Parties are identified on Schedule 10 hereof.

11. **Organization Chart** . A copy of the current organizational structure of the Loan Parties is attached as Exhibit A hereto.

12. **Lien Search Results** . File search reports have been obtained from the applicable Uniform Commercial Code filing office, and such search reports reflect no Liens against any of the Collateral other than those permitted under the Credit Agreement.

[Signatures Follow]

IN WITNESS WHEREOF, I have hereunto set my hand the date first listed above.

TRINET GROUP, INC.

By: _____

Name:
Title:

TRINET HR CORPORATION

By: _____

Name:
Title:

Schedule 1(a)

PATRIOT ACT INFORMATION

Legal Name of Loan Party:
Previous Legal Names within the past 4 months:
All Other Names:
State of Organization:
Type of Organization:
Jurisdictions Qualified to do Business:
Address of Chief Executive Office:
Address of Principal Place of Business:
Business Phone Number:
Organizational Identification Number:
Federal Tax Identification Number:
Ownership Information (e.g. publicly held, if private or partnership—identity of owners/partners):

Schedule 1(b)

MERGERS/CONSOLIDATIONS/CHANGES IN CORPORATE STRUCTURE

NAME OF GRANTOR: **MERGER OR OTHER CORPORATE REORGANIZATION:**

Schedule 2(a)

LOCATIONS OF OWNED REAL PROPERTY

Schedule 2(B)

LOCATIONS OF LEASED REAL PROPERTY

Office	Street Address 1	Address2	City	State	Zip	Landlord Entity	Landlord Address

Schedule 2(c)

LOCATIONS OF TANGIBLE PERSONAL PROPERTY/BOOKS/RECORDS/EQUIPMENT/INVENTORY/GOODS

Loan Party	**Location of Real Property**

Schedule 2(d)

OTHER PERSONS HAVING POSSESSION OF EQUIPMENT/INVENTORY/TANGIBLE PERSONAL PROPERTY

Loan Party	Location of Real Property

Schedule 3

SUBSIDIARIES

Subsidiary	Jurisdiction of Incorporation / Formation	Number of Shares of Capital Stock / Equity Interests	Outstanding Shares	% Owned	Shares Certificated

Schedule 4

OTHER CERTIFICATED SECURITIES

Schedule 5

INSTRUMENTS, TANGIBLE CHATTEL PAPER AND DOCUMENTS

Schedule 6

**PATENTS, TRADEMARKS, REGISTERED COPYRIGHTS,
PATENT LICENSES, TRADEMARK LICENSES, COPYRIGHT LICENSES**

COPYRIGHTS AND COPYRIGHT APPLICATIONS:

PATENTS AND PATENT APPLICATIONS:

TRADEMARKS AND TRADEMARK APPLICATIONS:

Mark	App. No.	Reg. No.	Filing Date	Reg. Date	Owner

Schedule 7

DEPOSIT ACCOUNTS

Bank	Address	Account Type	Account Number	Entity	Balance as of 6/30/13

Schedule 8

SECURITIES ACCOUNTS

Bank	Address	Account Type	Account Number	Entity	Balance as of 6/30/13

Schedule 9

COMMERCIAL TORT CLAIMS
AND
LETTER OF CREDIT RIGHTS

COMMERCIAL TORT CLAIMS

LETTER OF CREDIT RIGHTS

Schedule 10

INSURANCE

Use of Coverage	Carrier	Policy No.	Retention/ Deductibles	Limits	Attach	Expire	Deposit Premium

[FORM OF] SUPPLEMENTAL PERFECTION CERTIFICATE

August 20, 2013

Reference is made to that certain First Lien Credit Agreement, dated as of August 20, 2013 (the "***Credit Agreement***"), among TriNet HR Corporation, a California corporation (the "***Borrower***"), TriNet Group, Inc., a Delaware corporation ("***Holdings***"), the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders (in such capacity, the "***Agent***") (the following terms used herein shall have the meaning given to such terms in the Uniform Commercial Code as in effect in the jurisdiction applicable to such Collateral: Certificated Security, Commercial Tort Claims, Deposit Account, Documents, Electronic Chattel Paper, Equipment, Goods, Instruments, Inventory, Letter-of-Credit Right, Securities Account, Securities Intermediary and Tangible Chattel Paper; other capitalized terms not defined herein shall have the meaning given to such terms in the Credit Agreement). This Certificate is delivered pursuant to Section 5.03(b) of the Credit Agreement. Each of Holdings and the Borrower hereby certifies, on behalf of itself and each other Loan Party, as follows:

1. Names/Identification .

(a) In accordance with the USA Patriot Act, for each Loan Party, the information contained on Schedule 1(a) is true and correct.

(b) Except as set forth on Schedule 1(b) hereto, no Loan Party has been party to a merger, consolidation or other change in corporate structure within the past five (5) years.

2. Locations .

(a) Set forth on Schedule 2(a) hereto a list of all locations (including street address) of fee interests in real property owned by any Loan Party with a fair market value equal to or greater than $5,000,000.

(b) Set forth on Schedule 2(b) hereto is a list of all locations (including street address) of real property leased by a Loan Party.

(c) Set forth on Schedule 2(c) hereto is a list of all leased locations (including street address) where a Loan Party maintains any Equipment, Inventory or other tangible personal property with a fair market value equal to or greater than $1,000,000.

(d) Set forth on Schedule 2(d) hereto are the names and addresses of all warehousemen, bailees or other Persons (other than a Loan Party or a Subsidiary) which have possession of any Equipment, Inventory or other tangible personal property owned by any Loan Party or in which any Loan Party has any interest with a fair market value equal to or greater than $1,000,000.

3. Subsidiaries . Set forth on Schedule 3 hereto is a complete and accurate list of all Subsidiaries of each Loan Party, together with (a) the jurisdiction of incorporation/formation, (b) the number of shares of each class of capital stock or other Equity Interests outstanding, (c) the number and percentage of outstanding shares of each class owned (directly or indirectly) by such Loan Party and (d) an indication as to whether the shares are certificated.

4. **Other Certificated Securities and Equity Interests .** A complete and accurate list of all Certificated Securities and Equity Interests in any other Person (other than those of a Subsidiary identified pursuant to Section 3 above) owned by each Loan Party.

5. **Instruments, Tangible Chattel Paper and Documents .** A complete and accurate list of all Instruments, Tangible Chattel Paper, Electronic Chattel Paper and Documents owned by each Loan Party is identified on Schedule 5 hereof to the extent any such items has a fair market value (or represents property having a fair market value or an amount payable) equal to or greater than $1,000,000.

6. **Patents, Trademarks, Copyrights .** All patents, trademarks and registered copyrights owned by each Loan Party as of the date hereof, all patent applications, trademark applications and copyright applications made by each Loan Party as of the date hereof and all patent licenses, trademark licenses and copyright licenses to which a third party is granting (or has granted) rights to any Loan Party as of the date hereof are listed on Schedule 6 hereof.

7. **Deposit Accounts .** A complete and accurate list of all Deposit Accounts maintained by each Loan Party with a depository bank is set forth on Schedule 7 hereof, including (a) the financial institution with which such account is maintained, (b) the name of such account, (c) the account number, (d) a recent value for such account (and the date of such value) and (e) whether such account is an Excluded Account, except to the extent that the average daily balance (during any thirty (30) calendar day period) of any single Deposit Account (other than Excluded Accounts) not identified on Schedule 7 exceeds $1,000,000 and, in the aggregate, of the funds held in all such Deposit Accounts and Securities Accounts (in each case, other than Excluded Accounts) not identified on Schedule 7 and Schedule 8 hereto does not exceed $3,000,000.

8. **Securities Accounts .** A complete and accurate list of all Securities Accounts maintained by such Loan Party is set forth on Schedule 8 hereof, including (a) the Securities Intermediary with which such account is maintained, (b) the name of such account, (c) the account number, (d) a recent value for such account (and the date of such value) and (e) whether such account is an Excluded Account, except to the extent that the average daily balance (during any thirty (30) calendar day period) of any single Securities Account (other than Excluded Accounts) not identified on Schedule 8 exceeds $1,000,000 and, in the aggregate, of the funds held in all such Deposit Accounts and Securities Accounts (in each case, other than Excluded Accounts) not identified on Schedule 7 and Schedule 8 hereto does not exceed $3,000,000.

9. **Commercial Tort Claims and Letter of Credit Rights .** A complete and accurate list of (i) all Commercial Tort Claims of any Loan Party with a value equal to or greater than $1,000,000 is set forth on Schedule 9 hereof and (ii) all and/or Letter of Credit Rights is set forth in Schedule 9 hereof.

10. **Insurance .** A complete and accurate list of all insurance polices currently maintained by the Loan Parties are identified on Schedule 10 hereof.

11. Organization Chart . A copy of the current organizational structure of the Loan Parties is attached as Exhibit A hereto.

12. **Lien Search Results** . File search reports have been obtained from the applicable Uniform Commercial Code filing office, and such search reports reflect no Liens against any of the Collateral other than those permitted under the Credit Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, I have hereunto set my hand the date first listed above.

TRINET GROUP, INC.

By: _____
Name:
Title:

TRINET HR CORPORATION

By: _____
Name:
Title:

[Signature Page to Supplemental Perfection Certificate]

Schedule 1(a)

PATRIOT ACT INFORMATION

Legal Name of Loan Party:	TRINET GROUP, INC.	TRINET HR CORPORATION	TRINET HR V, INC.	210 PARK AVENUE HOLDING, INC.
Previous Legal Names within the past 4 months:				
All Other Names:				
State of Organization:				
Type of Organization:				
Jurisdictions Qualified to do Business:				
Address of Chief Executive Office:				
Address of Principal Place of Business:				
Business Phone Number:				
Organizational Identification Number:				
Federal Tax Identification Number:				
Ownership Information (e.g. publicly held, if private or partnership—identity of owners/partners):				

Schedule 1(b)

MERGERS/CONSOLIDATIONS/CHANGES IN CORPORATE STRUCTURE

NAME OF GRANTOR: **MERGER OR OTHER CORPORATE REORGANIZATION:**

Schedule 2(a)

LOCATIONS OF OWNED REAL PROPERTY

Schedule 2(B)

LOCATIONS OF LEASED REAL PROPERTY

Office	Street Address 1	Address2	City	State	Zip	Landlord Entity	Landlord Address

Schedule 2(c)

LOCATIONS OF TANGIBLE PERSONAL PROPERTY/BOOKS/RECORDS/EQUIPMENT/INVENTORY/GOODS

Loan Party	Location of Real Property

Schedule 2(d)

OTHER PERSONS HAVING POSSESSION OF EQUIPMENT/INVENTORY/TANGIBLE PERSONAL PROPERTY

Loan Party	Location of Real Property

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SUBSIDIARIES

Subsidiary	Jurisdiction of Incorporation / Formation	Number of Shares of Capital Stock / Equity Interests	Outstanding Shares	% Owned	Shares Certificated

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OTHER CERTIFICATED SECURITIES

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INSTRUMENTS, TANGIBLE CHATTEL PAPER AND DOCUMENTS

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PATENT LICENSES, TRADEMARK LICENSES, COPYRIGHT LICENSES**

COPYRIGHTS AND COPYRIGHT APPLICATIONS:

PATENTS AND PATENT APPLICATIONS:

TRADEMARKS AND TRADEMARK APPLICATIONS:

Mark	App. No.	Reg. No.	Filing Date	Reg. Date	Owner

Schedule 7

DEPOSIT ACCOUNTS

Bank	Address	Account Type	Account Number	Entity	Balance as of 6/30/13

Schedule 8

SECURITIES ACCOUNTS

Bank	Address	Account Type	Account Number	Entity	Balance as of 6/30/13

Schedule 9

COMMERCIAL TORT CLAIMS
AND
LETTER OF CREDIT RIGHTS

COMMERCIAL TORT CLAIMS

LETTER OF CREDIT RIGHTS

Schedule 10

INSURANCE

Use of Coverage	Carrier	Policy No.	Retention/Deductibles	Limits	Attach	Expire	Deposit Premium

[FORM OF] SOLVENCY CERTIFICATE
OF
TRINET GROUP, INC.
AND ITS SUBSIDIARIES

This Certificate is being delivered pursuant to Section 4.01(l) of the First Lien Credit Agreement dated as of August [•], 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " First Lien Credit Agreement "), among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc. (" Holdings "), the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the First Lien Credit Agreement.

The undersigned hereby certifies that he or she is the Chief Financial Officer of Holdings and that he or she is knowledgeable of the financial and accounting matters of Holdings and the other Loan Parties, the First Lien Credit Agreement and the covenants and representations (financial and other) contained therein and that, as such, he or she is authorized to execute and deliver this Certificate on behalf of Holdings.

The undersigned, solely in his or her capacity as Chief Financial Officer of Holdings, and not in his or her individual capacity, believes, based upon current assumptions, which will by necessity involve uncertainties and approximations, but which he or she does not believe to be unreasonable in light of the circumstances applicable thereto, and upon the best of his or her knowledge, that on the date hereof, immediately after giving effect to the Transactions to occur on the date hereof, including the making of each Loan to be made on the date hereof and the application of the proceeds of such Loans:

(a) the fair value of the assets of Holdings and the Subsidiaries, taken as a whole, will exceed their debts and liabilities, subordinated, contingent or otherwise (taken as a whole) (it being understood that the amount of contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability);

(b) the present fair saleable value of the assets of Holdings and the Subsidiaries, taken as a whole, will be greater than the amount that will be required to pay the probable liability on their debts and other liabilities, subordinated, contingent or otherwise (taken as a whole), as such debts and other liabilities become absolute and matured;

(c) Holdings and the Subsidiaries, taken as a whole, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and

(d) Holdings and the Subsidiaries, taken as a whole, will not have unreasonably small capital with which to conduct the business in which they are engaged, as such business is conducted at the time of and is proposed to be conducted following the Effective Date.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has executed this Certificate on the date first written above.

TRINET GROUP, INC.,

By:_____
Name:
Title: Chief Financial Officer

[FORM OF] U.S. TAX CERTIFICATE FOR FOREIGN LENDERS THAT ARE NOT PARTNERSHIPS FOR U.S. FEDERAL INCOME TAX PURPOSES

Reference is made to the First Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Credit Agreement "), among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc. (" Holdings "), the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Credit Agreement.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record and beneficial owner of the Loan(s) (as well as any promissory note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (b) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (c) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (d) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (a) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (b) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which any payment is to be made to the undersigned, or in either of the two calendar years preceding any such payment.

[NAME OF LENDER],

By: _____
Name:
Title:
Date:

[FORM OF] U.S. TAX CERTIFICATE FOR FOREIGN LENDERS THAT ARE PARTNERSHIPS FOR U.S. FEDERAL INCOME TAX PURPOSES

Reference is made to the First Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Credit Agreement "), among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc. (" Holdings "), the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Credit Agreement.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record owner of the Loan(s) (as well as any promissory note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (b) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any promissory note(s) evidencing such Loan(s)), (c) with respect to the extension of credit pursuant to the Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (d) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (e) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio exemption: (a) an IRS Form W-8BEN or (b) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (a) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (b) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which any payment is to be made to the undersigned, or in either of the two calendar years preceding any such payment.

[NAME OF LENDER],

By: _____
Name:
Title:
Date:

EXHIBIT K-3

[FORM OF] U.S. TAX CERTIFICATE FOR FOREIGN PARTICIPANTS THAT ARE NOT PARTNERSHIPS FOR U.S. FEDERAL INCOME TAX PURPOSES

Reference is made to the First Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Credit Agreement "), among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc. (" Holdings "), the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Credit Agreement.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (b) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (c) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (d) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (a) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing and (b) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which any payment is to be made to the undersigned, or in either of the two calendar years preceding any such payment.

[NAME OF LENDER],

By: _____
Name:
Title:
Date:

[FORM OF] U.S. TAX CERTIFICATE FOR FOREIGN PARTICIPANTS THAT ARE PARTNERSHIPS FOR U.S. FEDERAL INCOME TAX PURPOSES

Reference is made to the First Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Credit Agreement "), among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc. (" Holdings "), the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Credit Agreement.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record owner of the participation in respect of which it is providing this certificate, (b) its direct or indirect partners/members are the sole beneficial owners of such participation, (c) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881 (c)(3)(A) of the Code, (d) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (e) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (a) an IRS Form W-8BEN or (b) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (a) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (b) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which any payment is to be made to the undersigned, or in either of the two calendar years preceding any such payment.

[NAME OF LENDER],

By: _____
Name:
Title:
Date:

Exhibit 10.14

SECOND LIEN CREDIT AGREEMENT

dated as of
August 20, 2013,

among

TRINET HR CORPORATION,

as Borrower,

TRINET GROUP, INC.,

the LENDERS from time to time party hereto

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Administrative Agent

MORGAN STANLEY SENIOR FUNDING, INC.,
BANK OF AMERICA, N.A., and
DEUTSCHE BANK SECURITIES INC.,
as Co-Syndication Agents,

KEYBANK NATIONAL ASSOCIATION,
as Documentation Agent

J.P. MORGAN SECURITIES LLC,
MORGAN STANLEY SENIOR FUNDING, INC.,
BANK OF AMERICA, N.A., and
DEUTSCHE BANK SECURITIES INC.,

as Joint Lead Arrangers and Bookrunners

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SECOND LIEN CREDIT AGREEMENT dated as of August 20, 2013, among TRINET HR CORPORATION, as Borrower, TRINET GROUP, INC., the LENDERS from time to time party hereto and WILMINGTON TRUST, NATIONAL ASSOCIATION, as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

" ABR ", when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, shall bear interest at a rate determined by reference to the Alternate Base Rate.

" Accepting Lenders " has the meaning set forth in Section 2.23(a).

" ACH Indebtedness " means Indebtedness incurred by Holdings or its Subsidiaries in the ordinary course of business in respect of automated clearinghouse obligations.

" Adjusted LIBO Rate " means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate. Notwithstanding the foregoing, the Adjusted LIBO Rate will be deemed to be 1.00% per annum on any day when it would otherwise be less than 1.00% per annum.

" Administrative Agent " means Wilmington Trust, National Association, in its capacity as administrative agent hereunder and under the other Loan Documents, and its successors in such capacity as provided in Article VIII.

" Administrative Questionnaire " means an administrative questionnaire in a form supplied by the Administrative Agent.

" Affiliate " means, with respect to a specified Person, another Person that directly or indirectly Controls or is Controlled by or is under common Control with the Person specified; provided , however , that for purposes of Section 6.09, the term "Affiliate" shall also include any Person that, directly or indirectly through one or more intermediaries, owns 5% or more of any class of Equity Interests of the Person specified (other than, in the case of Equity Interests of Holdings, any such Person that first acquired such 5% ownership after an IPO) or that is an officer or director of the Person specified.

" Affiliated Assignment and Assumption " means an assignment and assumption entered into by a Lender and an Eligible Assignee, with the consent of any Person whose consent is required by Section 9.04, and accepted by the Administrative Agent, substantially in the form of Exhibit A-2 .

" Agreement " means this Second Lien Credit Agreement, as the same may be modified, amended and/or supplemented from time to time.

" AIG Contract " means the documents listed on Schedule 6.10A to the Disclosure Letter evidencing the service and financial relationship among AIG and its Affiliates, the Borrower, Archimedes and the Reinsurance Captive Asset Management Program, pursuant to which collateral is retained for a period of time to secure the workers compensation claims payment and administrative fee obligations of the Borrower and Archimedes, pursuant to the workers compensation program of the Borrower and any of its operating subsidiaries.

" Alternate Base Rate " means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the Adjusted LIBO Rate on such day (or if such day is not a Business Day, the immediately preceding Business Day) for a deposit in dollars with a maturity of one month plus 1%. For purposes of clause (c) above, the Adjusted LIBO Rate on any day shall be based on the rate per annum determined in accordance with the definition of "LIBO Rate" herein, as the screen or quoted rate at approximately 11:00 a.m., London time, on such day for deposits in dollars with a maturity of one month. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective as of the opening of business on the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

" Alternative Incremental Facility Indebtedness " means any Indebtedness incurred by the Borrower in the form of one or more series of secured bonds, debentures, notes or similar instruments; provided that (a), (i) such Indebtedness shall be secured by the Collateral on a *pari passu* basis (but without regard to the control of remedies) with the Obligations and shall not be secured by any property or assets of Holdings, the Borrower or any of the other Subsidiaries other than the Collateral, (ii) the security agreements relating to such Indebtedness are substantially the same as the Security Documents and (iii) a Senior Representative acting on behalf of the holders of such Indebtedness shall have become party to the Pari Passu Second Lien Intercreditor Agreement (provided that if the Pari Passu Second Lien Intercreditor Agreement has not previously been executed and delivered, then Holdings, the Borrower, the other Subsidiary Loan Parties, the Administrative Agent and the Senior Representative for such Indebtedness shall have executed and delivered the Pari Passu Second Lien Intercreditor Agreement) and the First Lien/Second Lien Intercreditor Agreement, (b) such Indebtedness does not mature earlier than the Latest Maturity Date in effect hereunder at the time of incurrence thereof and has a weighted average life to maturity no shorter than that of the Loans with the Latest Maturity Date, (c) such Indebtedness contains covenants, events of default and other terms that are customary for similar Indebtedness

in light of then-prevailing market conditions and, when taken as a whole (other than interest rates, fees and optional prepayment or redemption terms), are substantially identical to, or are not more restrictive to Holdings, the Borrower and the Subsidiaries than, those set forth in the Loan Documents (other than covenants or other provisions applicable only to periods after the Latest Maturity Date then in effect); provided that a certificate of a Financial Officer of the Borrower delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness or the modification, refinancing, refunding, renewal or extension thereof (or such shorter period of time as may reasonably be agreed by the Administrative Agent), together with a reasonably detailed description of the material terms and conditions of such resulting Indebtedness or drafts of the material definitive documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements shall be conclusive unless the Administrative Agent provides notice to the Borrower of its reasonable objection during such period together with a reasonable description of the basis upon which it objects, (d) such Indebtedness does not provide for any amortization, mandatory prepayment, redemption or repurchase (other than upon a change of control, fundamental change, or upon conversion or exchange in the case of convertible or exchangeable Indebtedness, customary asset sale or event of loss, mandatory offers to purchase and customary acceleration rights after an event of default) prior to the Latest Maturity Date then in effect, and (e) such Indebtedness is not guaranteed by any Person other than Holdings and Subsidiaries that are Subsidiary Loan Parties. Alternative Incremental Facility Indebtedness will include any Registered Equivalent Notes issued in exchange therefor.

" Anti-Corruption Laws " means the United States Foreign Corrupt Practices Act of 1977 and all other laws, rules, and regulations of any jurisdiction applicable to Holdings, the Borrower and the Subsidiaries concerning or relating to bribery or corruption.

" Anti-Terrorism Law " means any Requirement of Law relating to money laundering or financing terrorism, including the USA Patriot Act, the Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act of 1970", 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959), the Trading With the Enemy Act of 1917 (50 U.S.C. §1 et seq.) and Executive Order 13224 (effective September 24, 2001).

" Applicable Rate " means, for any day, (a) 6.75% per annum, in the case of an ABR Loan, or (b) 7.75% per annum, in the case of a Eurodollar Loan.

" Approved Fund " means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in commercial loans and similar extensions of credit in the ordinary course of its activities and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

" Archimedes " means Archimedes Risk Solutions LTD, a Bermuda corporation, and a direct, wholly-owned Subsidiary of the Borrower.

" Arrangers " means J.P. Morgan Securities LLC, Morgan Stanley Senior Funding, Inc., Bank of America, N.A. and Deutsche Bank Securities Inc., in their capacities as joint lead arrangers and bookrunners for the credit facilities provided for herein.

" Assignment and Assumption " means an assignment and assumption entered into by a Lender and an Eligible Assignee, with the consent of any Person whose consent is required by Section 9.04, and accepted by the Administrative Agent, substantially in the form of Exhibit A-1 .

" Auction Manager " has the meaning set forth in Section 2.24(a).

" Auction Notice " means an auction notice given by the Borrower in accordance with the Auction Procedures with respect to an Auction Purchase Offer.

" Auction Procedures " means the auction procedures with respect to Auction Purchase Offers set forth in Exhibit C hereto.

" Auction Purchase Offer " means an offer by the Borrower to purchase Loans of one or more Classes pursuant to modified Dutch auctions conducted in accordance with the Auction Procedures and otherwise in accordance with Section 2.24.

" Available Domestic Cash " means, on any date, the amount of Unrestricted Cash held on such date by Holdings, the Borrower or any Subsidiary Loan Party, other than Unrestricted Cash held in accounts outside the United States of America.

" Available ECF Amount " means, as of any time, the excess, if any, of:

(a) the Cumulative Borrower's ECF Share; over

(b) the sum of all Investments made prior to such time in reliance on Section 6.04(s)(iii), plus all Restricted Payments made prior to such time in reliance on Section 6.08(a)(ix)(B), plus all expenditures in respect of Indebtedness made prior to such time in reliance on Section 6.08(b)(viii)(B), in each case utilizing the Available ECF Amount or portions thereof in effect on the date of any such Investment, Restricted Payment or expenditure.

Under no circumstances will the amounts referred to in clause (b) of this definition exceed the amount of the Cumulative Borrower's ECF Share, and the aggregate of all Investments, Restricted Payments and expenditures in respect of Indebtedness made on any date in reliance on the Available ECF Amount on such date may not exceed the amount of the Available ECF Amount on such date.

" Bank of America Accounts " means (a) the deposit accounts and securities accounts set forth on Schedule 1 of the Disclosure Letter, and (b) any additional deposit accounts and securities accounts related thereto at Bank of America, N.A. approved at the Administrative Agent's reasonable discretion.

" Bankruptcy Event " means, with respect to any Person, that such Person has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in, any such proceeding or appointment.

" Base First Lien Incremental Amount " means $50,000,000, which is the base amount of First Lien Incremental Facility Indebtedness and First Lien Alternative Incremental Facility Indebtedness that can be incurred pursuant to Section 6.01(a)(xiv). For purposes hereof, the Base First Lien Incremental Amount will be deemed to be utilized by the initial $50,000,000 of the First Lien Incremental Facility Indebtedness and First Lien Alternative Incremental Facility Indebtedness incurred under Section 6.01(a)(xiv)

" Base Incremental Amount " means $50,000,000, which is the base amount of Incremental Term Commitments that can be incurred under Section 2.21 and Alternative Incremental Facility Indebtedness that can be incurred under Section 6.01(a)(xiii). For purposes hereof, the Base Incremental Amount will be deemed to be utilized by the initial $50,000,000 of the Incremental Term Commitments incurred under Section 2.21 and Alternative Incremental Facility Indebtedness incurred under Section 6.01(a)(xiii).

" Board of Governors " means the Board of Governors of the Federal Reserve System of the United States of America.

" Borrower " means TriNet HR Corporation, a California corporation.

" Borrowing " means Loans of the same Class and Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

" Borrowing Request " means a request by the Borrower for a Borrowing in accordance with Section 2.03, which shall be, in the case of a written Borrowing Request, substantially in the form of Exhibit B.

" Business Credit Card Indebtedness " means Indebtedness incurred by the Borrower or its Subsidiaries in the ordinary course of business under a commercial credit card or purchasing card program.

" Business Day " means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City or London are authorized or required by law to remain closed.

" Capital Expenditures " means, for any period, (a) the additions to property, plant and equipment and other capital expenditures of Holdings, the Borrower and the Subsidiaries that are (or should be) set forth in a consolidated statement of cash flows of Holdings for such period prepared in accordance with GAAP and (b) Capital

Lease Obligations incurred by Holdings, the Borrower and the Subsidiaries during such period, but excluding in each case any such expenditure (i) constituting reinvestment of the Net Proceeds of any event described in clause (a) or (b) of the definition of the term "Prepayment Event", to the extent permitted by Section 2.11(b), (ii) made by Holdings, the Borrower or any Subsidiary as payment of the consideration for a Permitted Acquisition and related costs and expenses, (iii) made by Holdings, the Borrower or any Subsidiary to effect leasehold improvements to any property leased by Holdings, the Borrower or such Subsidiary as lessee, to the extent that such expenses have been reimbursed by the landlord, (iv) in the form of a substantially contemporaneous exchange of similar property, plant, equipment or other capital assets, except to the extent of cash or other consideration (other than the assets so exchanged), if any, paid or payable by Holdings, the Borrower or any Subsidiary and (v) made with the Net Proceeds from the issuance of Qualified Equity Interests.

" Capital Lease Obligations " of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP (without giving effect to any subsequent changes in GAAP arising out of a change described in the Proposed Accounting Standards Update to Leases (Topic 840) dated August 17, 2010 or a substantially similar pronouncement). The amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP. For purposes of Section 6.02, a Capital Lease Obligation shall be deemed to be secured by a Lien on the property being leased and such property shall be deemed to be owned by the lessee.

" CFC " means (a) each Person that is a "controlled foreign corporation" for purposes of the Code, including Archimedes (so long as Archimedes is organized under the laws of Bermuda), and (b) each subsidiary of any such controlled foreign corporation.

" CFC Holding Company " means a Subsidiary, including any Pass-Through Foreign Subsidiary, the sole material assets of which are Equity Interests in one or more CFCs.

" Change in Control " means (a) the failure of Holdings to own, directly or indirectly through wholly-owned Subsidiaries, 100% of the outstanding Equity Interest in the Borrower and each Loan Party (other than Holdings and subject to the release of any Loan Party pursuant to Section 9.14); (b) prior to an IPO, (i) the failure by the Permitted Holders to own, directly or indirectly through one or more wholly-owned subsidiaries, beneficially and of record, Equity Interests in Holdings representing at least 50.1% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests in Holdings or (ii) the inability of the Permitted Holders (including, in the case of General Atlantic, entities within the definition of "General Atlantic" acting collectively) to elect a controlling majority of the board of directors of Holdings; (c) after an IPO (i) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or "group", within the meaning of the Exchange Act and the rules of the

SEC thereunder (other than General Atlantic or any employee benefit plan of Holdings or the Subsidiaries or a Person acting in connection with such acquisition as a trustee, agent, fiduciary or administrator of such an employee benefit plan), of Equity Interests representing more than the greater of (A) 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests in Holdings (or, if applicable, the Qualified IPO Parent) and (B) the percentage of then outstanding Voting Stock of Holdings then owned directly, indirectly or beneficially by the Permitted Holders; (d) after an IPO involving a Qualified IPO Parent, the failure of such Qualified IPO Parent to own 100% of the outstanding Equity Interests of Holdings; (e) after an IPO, the occupation of a majority of the seats (other than vacant seats) on the board of directors of Holdings or any Qualified IPO Parent by Persons who were not (i) directors of Holdings on the date hereof, (ii) nominated by the board of directors of Holdings or General Atlantic (or, in the case of any Qualified IPO Parent, appointed by General Atlantic prior to an IPO) or (iii) appointed by directors who were directors of Holdings on the date hereof or were so nominated as provided in subclause (ii) of this clause (e); or (f) the occurrence of any "change in control" (or similar event, however denominated) with respect to Holdings or the Borrower under and as defined in any indenture or other agreement or instrument evidencing, governing the rights of the holders of, or otherwise relating to, any Material Indebtedness of Holdings, the Borrower or any Subsidiary. For the avoidance of doubt, it is understood that an IPO will not, unless it results in an event or circumstance constituting a Change in Control pursuant to the foregoing definition, constitute a Change in Control.

" Change in Law " means the occurrence, after the Effective Date (or with respect to any Lender, any later date on which such Lender initially became a Lender hereunder), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

" Charges " has the meaning set forth in Section 9.13.

" Class ", when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Loans or Incremental Term Loans of any Series, (b) any Commitment, refers to whether such Commitment is a Commitment or an Incremental Term Commitment of any Series and (c) any Lender, refers to whether such Lender has a Loan or Commitment of a particular Class

" Co-Syndication Agents " means each of Morgan Stanley Senior Funding, Inc., Bank of America, N.A. and Deutsche Bank Securities Inc., in its capacity as co-syndication agents for the credit facilities established hereunder.

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

" Collateral " means any and all assets, whether real or personal, tangible or intangible, on which Liens are purported to be granted pursuant to the Security Documents as security for the Obligations.

" Collateral Agreement " means the Second Lien Guarantee and Collateral Agreement among Holdings, the Borrower, the other Loan Parties and the Administrative Agent, substantially in the form of Exhibit D .

" Collateral and Guarantee Requirement " means, at any time, the requirement that:

(a) the Administrative Agent shall have received from Holdings, the Borrower and each Designated Subsidiary (i) either (A) a counterpart of the Collateral Agreement duly executed and delivered on behalf of such Person or (B) in the case of any Person that becomes a Designated Subsidiary after the Effective Date, a supplement to the Collateral Agreement, in the form specified therein, duly executed and delivered on behalf of such Person, together with opinions and documents of the type referred to in paragraphs (b) and (c) of Section 4.01 with respect to such Person, and (ii) with respect to any such Person that directly owns Equity Interests of a Significant Foreign Subsidiary, a counterpart of each Foreign Pledge Agreement that the Administrative Agent determines, based on the advice of counsel, to be necessary in connection with the pledge of, or the granting of security interests in, Equity Interests of such Foreign Subsidiary (other than Excluded Equity Interests), in each case duly executed and delivered on behalf of such Person and, to the extent required by applicable law or otherwise reasonably requested by the Administrative Agent, such Foreign Subsidiary;

(b) (i) all outstanding Equity Interests of the Borrower and each Significant Subsidiary (other than Excluded Equity Interests), in each case directly owned by or on behalf of any Loan Party, shall have been pledged pursuant to the Collateral Agreement or, in the case of Equity Interests in a Significant Foreign Subsidiary where the Administrative Agent so reasonably requests, a Foreign Pledge Agreement; provided that the Loan Parties shall not be required to pledge (x) more than 65% of the outstanding voting Equity Interests of any first-tier CFC or first-tier CFC Holding Company and no CFC or CFC Holding Company shall be required to pledge any Equity Interests in Subsidiaries of such CFC or CFC Holding Company or (y) any of the outstanding voting Equity Interests of any CFC or CFC Holding Company that are not owned directly by a Loan Party; provided , further , that 100% of the Equity Interests of

any Pass-Through Foreign Subsidiary that is a Significant Foreign Subsidiary and that are directly owned by a Loan Party shall be pledged pursuant to the Collateral Agreement or a Foreign Pledge Agreement, and (ii) the Administrative Agent shall, to the extent required by the Collateral Agreement or any such Foreign Pledge Agreement, have received certificates or other instruments representing all such Equity Interests, together with undated stock powers or other instruments of transfer with respect thereto endorsed in blank;

(c) (i) all Indebtedness of Holdings, the Borrower or any Subsidiary and (ii) all other Indebtedness (other than Permitted Investments) of any Person in a principal amount of $1,000,000 or more that, in each case, is owing to any Loan Party shall be evidenced by a promissory note and shall have been pledged pursuant to the Collateral Agreement or a supplement to the Collateral Agreement, and the Administrative Agent shall have received all such promissory notes, together with undated instruments of transfer with respect thereto endorsed in blank;

(d) all documents and instruments, including Uniform Commercial Code financing statements, required by Requirements of Law or reasonably requested by the Administrative Agent to be filed, registered or recorded to create the Liens intended to be created by the Security Documents and perfect such Liens to the extent required by, and with the priority required by, the Security Documents and the other provisions of the term "Collateral and Guarantee Requirement", shall have been filed, registered or recorded or delivered to the Administrative Agent for filing, registration or recording;

(e) the Administrative Agent shall have received (i) counterparts of a Mortgage with respect to each Mortgaged Property duly executed and delivered by the record owner of such Mortgaged Property, (ii) a policy or policies of title insurance issued by a nationally recognized title insurance company insuring the Lien of each such Mortgage as a valid and enforceable first Lien on the Mortgaged Property described therein, free of any other Liens except as permitted under Section 6.02, together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request, (iii) if any Mortgaged Property is located in an area determined by the Federal Emergency Management Agency to have special flood hazards, evidence of such flood insurance as may be required under applicable law, including Regulation H of the Board of Governors, and (iv) such surveys, abstracts, appraisals and legal opinions, in each case, as the Administrative Agent may reasonably request with respect to any such Mortgage or Mortgaged Property; and

(f) the Administrative Agent shall have received a counterpart, duly executed and delivered by the applicable Loan Party and the applicable depositary bank or securities intermediary, as the case may be, of a Control Agreement with respect to (i) each deposit account maintained by any Loan Party with any depositary bank (other than any Excluded Account) and (ii) each securities account maintained by any Loan Party with any securities intermediary (other

than any Excluded Account); provided that the Loan Parties may maintain one or more local depository accounts or securities accounts not subject to a Control Agreement with financial institutions other than the Administrative Agent so long as (x) the balance of any individual deposit account or securities account does not at any time exceed $1,000,000 and (y) the balance of all such deposit and securities accounts does not at any time exceed $3,000,000 in the aggregate; provided , further , that the Loan parties shall have 90 days after the Effective Date or after the formation or acquisition of a new Loan Party, as the case may be, to comply with this paragraph (f).

Notwithstanding the foregoing provisions of this definition or anything in this Agreement or any other Loan Document to the contrary, (a) the Loan Parties shall have the time periods specified in (x) Section 5.15(b) to satisfy the Collateral and Guarantee Requirement with respect to items specified in Schedule 5.15 and (y) Section 5.12 and Section 5.15(b) to satisfy the Guarantee and Collateral Requirement with respect Subsidiaries newly acquired or formed (or which first become Designated Subsidiaries) after the Effective Date and with respect to assets acquired after the Effective Date that do not automatically constitute Collateral under the Collateral Agreement, (b) the foregoing provisions of this definition shall not require the creation or perfection of pledges of or security interests in, or the obtaining of title insurance, legal opinions or other deliverables with respect to, particular assets of the Loan Parties, or the provision of Guarantees by any Subsidiary, as to which the Administrative Agent and the Borrower reasonably agree that the cost of creating or perfecting such pledges or security interests in such assets, or obtaining such title insurance, legal opinions or other deliverables in respect of such assets, or providing such Guarantees (taking into account any adverse tax consequences to Holdings, the Borrower and the Subsidiaries (including the imposition of withholding or other material taxes)), shall be excessive in view of the benefits to be obtained by the Lenders therefrom, (c) Liens required to be granted from time to time pursuant to the term "Collateral and Guarantee Requirement" shall be subject to exceptions and limitations set forth in the Security Documents as in effect on the Effective Date and, to the extent appropriate in the applicable jurisdiction, as reasonably agreed between the Administrative Agent and the Borrower and (d) in no event shall the Collateral include any Excluded Assets. The Administrative Agent may (but shall not be obligated to), without the consent of any Lender, grant extensions of time for the creation and perfection of security interests in or the obtaining of title insurance, legal opinions or other deliverables with respect to particular assets or the provision of any Guarantee by any Subsidiary (including extensions beyond the Effective Date or in connection with assets acquired, or Subsidiaries formed or acquired, after the Effective Date) where it and the Borrower reasonably agree that such action cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required to be accomplished by this Agreement or the Security Documents.

" Commitment " means with respect to each Lender such Lender's Commitment to make a Loan on the Effective Date or such Lenders Incremental Term Commitment of any Series, expressed as an amount representing the maximum principal amount of the Loan to be made by such Lender. The amount of each Lender's

Commitment to make a Loan on the Effective date is set forth on Schedule 2.01. The initial aggregate amount of the Lenders' Commitments is $190,000,000.

" Compliance Certificate " means a Compliance Certificate substantially in the form of Exhibit E or any other form approved by the Administrative Agent.

" Confidential Information Memorandum " means the confidential information memorandum dated as of August 2013, related to the Transactions.

" Connection Income Taxes " means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

" Consolidated EBITDA " means, for any period, Consolidated Net Income for such period, plus

(a) without duplication and to the extent deducted (and not added back) in determining such Consolidated Net Income, the sum of

(i) consolidated interest expense for such period (including imputed interest expense in respect of Capital Lease Obligations);

(ii) provision for taxes based on income, profits or losses, including foreign withholding taxes, and for corporate franchise, capital stock, net worth and value-added taxes, in each case during such period;

(iii) all amounts attributable to depreciation and amortization for such period (excluding amortization expense attributable to a prepaid cash expense that was paid in a prior period);

(iv) any extraordinary losses or charges for such period, determined on a consolidated basis in accordance with GAAP;

(v) any Non-Cash Charges for such period;

(vi) any losses attributable to obligations under any Hedging Agreement (to the extent recognized prior to the occurrence of a termination event with respect thereto) or to early extinguishment of Indebtedness, determined on a consolidated basis in accordance with GAAP for such period;

(vii) expenses incurred during such period that are contemporaneously reimbursed to Holdings, the Borrower or a Subsidiary by a seller pursuant to indemnification provisions in any agreement relating to a Permitted Acquisition;

(viii) non-recurring out-of-pocket transactional fees, costs and expenses relating to Permitted Acquisitions, Investments and Indebtedness

incurred outside the ordinary course of business, securities offerings and Dispositions, including legal fees, advisory fees and upfront financing fees;

(ix) Pro Forma Adjustments in connection with Material Acquisitions consummated during such period;

(x) non-recurring out-of-pocket costs fees, and expenses relating to the Transactions incurred during such period, including legal and advisory fees (so long as not incurred after 120 days following the Effective Date), not in excess of $15,000,000 in the aggregate; and

(xi) non-recurring out-of-pocket fees, costs and expenses relating to the incurrence, refinancing, amendment or modification of Indebtedness prior to the Effective Date;

provided that (A) any cash payment made with respect to any Non-Cash Charges added back in computing Consolidated EBITDA for any prior period pursuant to clause (a)(v) above (or that would have been added back had this Agreement been in effect during such prior period) shall be subtracted in computing Consolidated EBITDA for the period in which such cash payment is made and (B) the aggregate amount of all amounts under clauses (a)(viii), (a)(ix) and (a)(xi) that increase Consolidated EBITDA in any Test Period shall not exceed, and shall be limited to, 10% of Consolidated EBITDA in respect of such Test Period (calculated after giving effect to such adjustments and with no carryover of unused amounts into any subsequent period); and minus

(b) without duplication and to the extent included (and not deducted) in determining such Consolidated Net Income, the sum of:

(i) any extraordinary gains for such period, determined on a consolidated basis in accordance with GAAP;

(ii) any non-cash gains for such period, including with respect to write-ups of assets or goodwill, determined on a consolidated basis in accordance with GAAP;

(iii) any gains attributable to the early extinguishment of Indebtedness or obligations under any Hedging Agreement, determined on a consolidated basis in accordance with GAAP for such period;

provided , further that, Consolidated EBITDA for any period shall be calculated so as to exclude (without duplication of any adjustment referred to above) (i) the cumulative effect of any changes in GAAP or accounting principles applied by management during such period and (ii) non-cash foreign translation gains and losses.

" Consolidated First Lien Debt " means, as of any date, the aggregate amount of Consolidated Total Debt of Holdings and the Subsidiaries outstanding on such date, including Indebtedness under the First Lien Credit Agreement, Capital Lease

Obligations (excluding Capital Lease Obligations in an aggregate amount not to exceed $1,000,000 at any time outstanding), purchase money indebtedness and other obligations that are properly classified as liabilities on a consolidated balance sheet prepared in accordance with GAAP, that in any case is secured by Liens on any property or assets of Holdings, the Borrower or any of the other Subsidiaries other than Liens on the Collateral (including those under the Security Documents) that are subordinated to the Liens securing the First Lien Loan Document Obligations and other Indebtedness that is afforded a first- priority Lien on the Collateral pursuant to the First Lien/Second Lien Intercreditor Agreement.

" Consolidated Net Income " means, for any period, the net income or loss of Holdings, the Borrower and the consolidated Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income of any Person (other than Holdings and the Borrower) that is not a consolidated Subsidiary, except to the extent of the amount of cash dividends or other cash distributions actually paid by such Person to Holdings, the Borrower or, subject to clauses (b) and (c) of this proviso, any consolidated Subsidiary during such period, (b) the income of, and any amounts referred to in clause (a) of this proviso paid to, any Subsidiary to the extent that, on the date of determination, the declaration or payment of cash dividends or other cash distributions by such Subsidiary of that income is not at the time permitted by a Requirement of Law or any agreement or instrument applicable to such Subsidiary, unless such restrictions with respect to the payment of cash dividends and other similar cash distributions have been legally and effectively waived and (c) the income or loss of, and any amounts referred to in clause (a) of this proviso paid to, any consolidated Subsidiary that is not wholly-owned by Holdings to the extent such income or loss or such amounts are attributable to the noncontrolling interest in such consolidated Subsidiary.

" Consolidated Total Debt " means, as of any date of determination, the sum of (a) the aggregate principal amount of Indebtedness of Holdings, the Borrower and the Subsidiaries outstanding as of such date in the amount that would be reflected on a balance sheet prepared as of such date on a consolidated basis in accordance with GAAP, plus (b) the aggregate principal amount of Indebtedness of Holdings, the Borrower and the Subsidiaries outstanding as of such date (including in respect of letters of credit, but excluding purchase price adjustments and other Indebtedness of the type described in clause (i)of the third sentence of the definition of Indebtedness or Guarantees of obligations of Holdings, the Borrower or any Subsidiary not constituting Indebtedness) that is not required to be reflected on a balance sheet prepared as of such date on a consolidated basis in accordance with GAAP, in each case without giving effect to any election to value any Indebtedness at "fair value", as described in Section 1.04(a), or any other accounting principle that results in the amount of any such Indebtedness (other than zero coupon Indebtedness) as reflected on such balance sheet to be below the stated principal amount of such Indebtedness.

" Control " means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, or the dismissal or appointment of the management, of a Person, whether through the ability to exercise

voting power, by contract or otherwise. " Controlling " and " Controlled " have meanings correlative thereto.

" Control Agreement " means, with respect to any deposit account or securities account maintained by any Loan Party, a control agreement in form and substance satisfactory to the Administrative Agent, duly executed and delivered by such Loan Party and the depositary bank or the securities intermediary, as the case may be, with which such account is maintained.

" Credit Party " means the Administrative Agent and each other Lender.

" Cumulative Borrower's ECF Share " means, as of any date of determination, for each fiscal year (commencing with the fiscal year ending December 31, 2014) with respect to which a Compliance Certificate has been delivered in connection with the delivery of annual or quarterly financial statements pursuant to Section 5.01(a), the sum (in no event less than zero) of the amounts shown in such Compliance Certificates as the amounts of Excess Cash Flow for such fiscal year covered by such Compliance Certificates, less in each case the amount of such Excess Cash Flow (including for the avoidance of doubt, but without duplication, all ECF Shortfall Amounts) required to be applied to prepay (a) term loans (including incremental term loans) pursuant to Section 2.11(d) of the First Lien Credit Agreement, (b) Loans pursuant to Section 2.11(c) of this Agreement, (c) any Alternative Incremental Facility Indebtedness or First Lien Alternative Incremental Facility Indebtedness pursuant to any comparable provision thereof or (d) any Refinancing Indebtedness in respect of this Agreement, the First Lien Credit Agreement or any Alternative Incremental Facility Indebtedness or First Lien Alternative Incremental Facility Indebtedness pursuant to any comparable provision thereof.

" Debt Fund Affiliate " means any fund managed by, under common management with, or otherwise an Affiliate of, General Atlantic or a portfolio company thereof that is a bona fide diversified debt fund or an investment vehicle that is primarily engaged in the making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course.

" Debtor Relief Laws " shall mean the United States Bankruptcy Code and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United States of America or other applicable jurisdictions affecting the rights of creditors generally from time to time in effect.

" Default " means any event or condition that constitutes, or upon notice, lapse of time or both would constitute, an Event of Default.

" Designated Subsidiary " means each Subsidiary that is not an Excluded Subsidiary.

" Disclosure Letter " means the Disclosure Letter dated the date hereof delivered to the Administrative Agent and the Lenders in respect of this Agreement.

" Disposition " has the meaning set forth in Section 6.05.

" Disqualified Equity Interest " means, with respect to any Person, any Equity Interest in such Person or that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, either mandatorily or at the option of the holder thereof), or upon the happening of any event or condition:

(a) matures or is mandatorily redeemable (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests), whether pursuant to a sinking fund obligation or otherwise;

(b) is convertible or exchangeable, either mandatorily or at the option of the holder thereof, for Indebtedness or Equity Interests (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests); or

(c) is redeemable (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests) or is required to be repurchased by the Borrower or any Subsidiary, in whole or in part, at the option of the holder thereof;

in each case, on or prior to the date 91 days after the Latest Maturity Date (determined as of the date of issuance thereof or, in the case of any such Equity Interests outstanding on the date hereof, the date hereof); provided , however , that (i) an Equity Interest in any Person that would not constitute a Disqualified Equity Interest but for terms thereof giving holders thereof the right to require such Person to redeem or purchase such Equity Interest upon the occurrence of an "asset sale", initial public offering or a "change in control" (or similar event, however denominated) shall not constitute a Disqualified Equity Interest if any such requirement becomes operative only after repayment in full of all the Loans and all other Obligations that are accrued and payable and (ii) an Equity Interest in any Person that is issued to any employee or to any plan for the benefit of employees or by any such plan to such employees shall not constitute a Disqualified Equity Interest solely because it may be required to be repurchased by such Person or any of its subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

" Disqualified Lender " means any Person set forth on Schedule 1.01B.

" Dividend " means (i) one or more payments by the Borrower on the Effective Date, with the proceeds from the Loans and the term loans under the First Lien Credit Agreement, of a dividend or distribution to Holdings in an aggregate amount, of up to $360,000,000 and (ii) one or more payments by Holdings on or after the Effective Date, with the proceeds of such dividend or distribution referred to in clause (i), of one or more dividends or other distributions to holders of its Equity Interests and to fund tax liabilities relating to such dividend or distribution to its option holders.

" Documentation Agent " means KeyBank National Association, in its capacity as documentation agent for the credit facilities established hereunder.

" dollars " or " $ " refers to lawful money of the United States of America.

" Domestic Subsidiary " means any Subsidiary incorporated or organized under the laws of the United States of America, any State thereof or the District of Columbia.

" ECF Shortfall Amount " has the meaning set forth in Section 2.11(g).

" ECF Sweep Payment Date " has the meaning set forth in Section 2.11(c).

" ECF Year " has the meaning set forth in Section 2.11(c).

" Effective Date " means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

" Effective Date Loan " means a Loan made hereunder on the Effective Date.

" Eligible Assignee " means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, (d) any bank and (e) any other financial institution or investment fund engaged as a primary activity in the ordinary course of its business in making or investing in commercial loans or debt securities, other than, in each case, (i) a natural person, (ii) a Disqualified Lender or (iii) except to the extent permitted under Sections 2.24, 9.04(e) and 9.04(f), Holdings, the Borrower, any Subsidiary or any other Affiliate of Holdings.

" Environmental Laws " means all rules, regulations, codes, ordinances, judgments, orders, decrees and other laws, and all injunctions, notices or binding agreements, issued, promulgated or entered into by any Governmental Authority and relating in any way to (a) the environment, (b) preservation or reclamation of natural resources, (c) the management, Release or threatened Release of any Hazardous Material or (d) health or safety matters.

" Environmental Liability " means any liability, obligation, loss, claim, action, order or cost, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties and indemnities), directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

" Equity Interests " means shares of capital stock, partnership interests, membership interests, beneficial interests in a trust or other equity ownership interests (whether voting or non-voting) in, or interests in the income or profits of, a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire

any of the foregoing (other than, prior to the date of such conversion, Indebtedness that is convertible into Equity Interests).

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended.

" ERISA Affiliate " means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or 414(c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

" ERISA Event " means (a) any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) any failure by any Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, in each case whether or not waived, (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) a determination that any Plan is, or is expected to be, in "at risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code), (e) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, (f) the receipt by the Borrower or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (g) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan or (h) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any of its ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA, or in endangered or critical status, within the meaning of Section 305 of ERISA.

" Eurodollar ", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bear interest at a rate determined by reference to the Adjusted LIBO Rate.

" Event of Default " has the meaning set forth in Section 7.01.

" Excess Cash Flow " means, for any fiscal year, an amount equal to:

(a) the sum, without duplication, of:

(i) the consolidated net income or loss of Holdings, the Borrower and the consolidated Subsidiaries for such fiscal year, adjusted to exclude (x) net income or loss of any consolidated Subsidiary that is not wholly-owned by Holdings to the extent such income or loss is attributable to the non-controlling interest in

such consolidated Subsidiary and (y) any gains or losses attributable to Prepayment Events;

(ii) depreciation, amortization and other non-cash charges, expenses or losses, including the non-cash portion of interest expense, deducted in determining such consolidated net income or loss for such fiscal year; and

(iii) the sum of (x) the amount, if any, by which Net Working Capital decreased during such fiscal year (except as a result of the reclassification of items from short-term to long-term or vice-versa), (y) the net amount, if any, by which the consolidated deferred revenues and other consolidated accrued long-term liability accounts of Holdings, the Borrower and the consolidated Subsidiaries increased during such fiscal year and (z) the net amount, if any, by which the consolidated accrued long-term asset accounts of Holdings, the Borrower and the consolidated Subsidiaries decreased during such fiscal year;

minus

(b) the sum, without duplication, of:

(i) the amount of all non-cash gains included in arriving at such consolidated net income or loss for such fiscal year;

(ii) the sum of (x) the amount, if any, by which Net Working Capital increased during such fiscal year (except as a result of the reclassification of items from long-term to short-term or vice-versa), (y) the net amount, if any, by which the consolidated deferred revenues and other consolidated accrued long-term liability accounts of Holdings, the Borrower and the consolidated Subsidiaries decreased during such fiscal year and (z) the net amount, if any, by which the consolidated accrued long-term asset accounts of Holdings, the Borrower and the consolidated Subsidiaries increased during such fiscal year;

(iii) the sum of, in each case except to the extent financed with Excluded Sources, of (w) the aggregate amount of Capital Expenditures by Holdings, the Borrower and the consolidated Subsidiaries made in cash for such fiscal year (except to the extent attributable to the incurrence of Capital Lease Obligations), (x) the aggregate amount of cash consideration paid during such fiscal year by Holdings, the Borrower and the consolidated Subsidiaries to make Permitted Acquisitions and other Investments (other than Investments in cash, cash equivalents or Permitted Investments), except to the extent made in reliance on the Available ECF Amount, (y) to the extent not deducted in arriving at net income or loss or pursuant to the other clauses of this definition, the amount of Restricted Payments paid to Persons other than Holdings, the Borrower or any Subsidiaries during such period pursuant to Section 6.08(a), other than Restricted Payments made in reliance on the Available ECF Amount, and (z) payments in cash made by the Borrower and its consolidated Subsidiaries with respect to any

noncash charges added back pursuant to clause (a)(ii) above in computing Excess Cash Flow for any prior fiscal year; and

(iv) the aggregate principal amount of Long-Term Indebtedness repaid or prepaid in cash by Holdings, the Borrower and the consolidated Subsidiaries during such fiscal year, whether voluntary, scheduled or mandatory, excluding (u) Indebtedness in respect of revolving loans and letters of credit or other revolving extensions of credit (except to the extent that any repayment or prepayment of such Indebtedness is accompanies by a permanent reduction in related commitments), (v) term loans under the First Lien Credit Agreement prepaid pursuant to Section 2.11(c), (d) or (e) thereof, (w) Loans prepaid pursuant to Section 2.11(b), (c) or (d), (x) any Alternative Incremental Facility Indebtedness or First Lien Alternative Incremental Facility Indebtedness prepaid pursuant to any comparable provision thereof, (y) any Refinancing Indebtedness in respect of this Agreement, the First Lien Credit Agreement or any Alternative Incremental Facility Indebtedness or First Lien Alternative Incremental Facility Indebtedness prepaid pursuant to any comparable provision thereof and (z) repayments or prepayments of Long-Term Indebtedness (A) made under Section 6.08(b)(viii) in reliance on the Available ECF Amount and (B) to the extent financed from Excluded Sources;

Notwithstanding any other provision of this Agreement, amounts expended in connection with (i) acquiring Loans under Section 2.24 or term loans under Section 2.24 of the First Lien Credit Agreement and (ii) assignments of Loans pursuant to Section 9.04(e) or (f) or term loans pursuant to Section 9.04(e) or (f) of the First Lien Credit Agreement, in each case, shall not reduce or be credited against Excess Cash Flow.

" Exchange Act " means the United States Securities Exchange Act of 1934.

" Excluded Accounts " means (a) deposit and/or securities accounts the balance of which consists exclusively of (i) withheld income taxes and federal, state or local employment taxes in such amounts as are required in the reasonable judgment of Holdings to be paid to the IRS or state or local government agencies within the following two months with respect to employees of any of the Loan Parties or (ii) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 2510.3-102 on behalf of or for the benefit of employees of one or more Loan Parties, (b) all segregated deposit and/or securities accounts established as and constituting (and the balance of which consists solely of funds set aside in connection with) tax accounts, payroll accounts, trust accounts and collateral accounts related to obligations not prohibited by this Agreement, (c) the Bank of America Accounts, (d) any deposit accounts maintained with a financial institution, other than the Administrative Agent or a Lender, exclusively established to cash collateralize letters of credit not issued under this Agreement, (e) any deposit or securities accounts established and used solely to cash collateralize obligations in respect of Business Credit Card Indebtedness or ACH Indebtedness permitted by this Agreement or otherwise constituting a Permitted Encumbrance, (f) the transfer agent

services account with Registrar and Transfer Company and (g) any foreign deposit or securities accounts of the Loan Parties.

" Excluded Assets " means (a) any asset if, to the extent and for so long as the grant of a Lien thereon to secure the Obligations is prohibited by any Requirements of Law (other than to the extent that any such prohibition would be rendered ineffective pursuant to any other applicable Requirements of Law); (b) any leasehold interests; (c) motor vehicles and other assets subject to certificate of title; (d) letter of credit rights (except to the extent perfection can be obtained by the filing of uniform commercial code financing statements) with a value of less than $5,000,000; (e) any contract, lease, instrument, permit, license, authorization or other agreement to the extent that a grant of a security interest therein (other than, in any case, in proceeds or receivables thereof) would violate or invalidate such contract, lease, instrument, permit, license, authorization or other agreement or create a right of termination in favor of any other party thereto (other than Holdings, the Borrower or a Loan Party), in each case only to the extent the relevant provision is not rendered ineffective under the Uniform Commercial Code or other applicable law (provided that the foregoing will not limit the Liens under the Security Documents on monies due or to become due under any such contract, lease, instrument, permit, license, authorization or other agreement); (f) any governmental licenses or state or local franchises, charters and authorizations, to the extent security interests in such licenses, franchises, charters or authorizations are prohibited or restricted thereby (except to the extent such prohibition or restriction is deemed ineffective under the Uniform Commercial Code or other applicable law); (g) any intent to use application at the United States Patent and Trademark Office with respect to trademarks for which a statement of use has not been filed; (h) any Excluded Equity Interests; (i) any fee interest in real property with a fair market value of less than $5,000,000; (j) assets held in collateral trust or escrow arrangements maintained with unaffiliated parties under the AIG Contract or otherwise held on behalf of the TEB Trust; (k) any rights under or with respect to any workers compensation fronting agreement to the extent that such agreement by its terms, by contract or by law, prohibits the assignment of, or the granting of a Lien with respect to, the rights of a grantor thereunder or which would be invalid or unenforceable upon any such assignment or grant (the " Restricted Assets "); provided that (i) the proceeds of any Restricted Asset shall continue to be deemed to be Collateral and (ii) this provision shall not limit the grant of any lien on or assignment of any Restricted Asset to the extent that the Uniform Commercial Code or any other applicable law provides that such grant of a lien or assignment is effective regardless of any prohibitions on such grant provided in any Restricted Asset (or the underlying documents related thereto); (l) any asset subject to a purchase money security interest, Capital Lease Obligation or Lien under a similar financing arrangement permitted under this Agreement to the extent the grant of a Lien on such asset under the Security Documents would (i) result in a breach or violation of, or constitute a default under, the agreement or instrument governing such purchase money or other financing arrangement or Capital Lease Obligation, (ii) result in the loss of use of such asset or (iii) permit the other party to such arrangement or Capital Lease Obligation to terminate the Borrower's or any Subsidiary's right to use such asset; (m) the Equity Interests and assets of the TEB Trust; (n) the assets or Equity Interests of any joint venture permitted under this Agreement to the extent and for so long as the granting of security interests in such assets or Equity

Interests would be prohibited by the Organizational Documents or shareholder agreements or similar contracts between the owners of the Equity Interests of such joint venture, (o) any Commercial Tort Claim with a value of less than $1,000,000 and (p) any assets held by the Borrower in its accounts designated as "Work Site Employee Assets".

" Excluded Equity Interests " means (a) any Equity Interests that consist of voting stock of a Subsidiary that is a CFC or a CFC Holding Company in excess of 65% of the outstanding voting stock (or 65% of the outstanding Equity Interests in the case of an entity that is not a corporation for U.S. tax purposes) of such Subsidiary (excluding, for the avoidance of doubt Equity Interests in Pass-Through Foreign Subsidiaries directly owned by Loan Parties), (b) any Equity Interests if, to the extent, and for so long as, the grant of a Lien thereon to secure the Obligations is effectively prohibited by any Requirements of Law; provided that such Equity Interest shall cease to be an Excluded Equity Interest at such time as such prohibition ceases to be in effect, and (c) Equity Interests in joint ventures permitted under this Agreement to the extent and for so long as the granting of security interests in such Equity Interests would be prohibited by the Organizational Documents or shareholder agreements or similar contracts between the owners of the Equity Interests of such joint venture; provided that such Equity Interest shall cease to be an Excluded Equity Interest at such time as such prohibition ceases to be in effect.

" Excluded Lender " means any Lender that has become the subject of a Bankruptcy Event or has had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be an Excluded Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or its Lender Parent by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is an Excluded Lender shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be an Excluded Lender upon delivery of written notice of such determination to the Borrower and each other Lender.

" Excluded Sources " means (a) proceeds of any incurrence or issuance of Long-Term Indebtedness, Capital Lease Obligations or Synthetic Lease Obligations, (b) the Net Proceeds of any Disposition of assets made outside the ordinary course of business, and (c) proceeds of any issuance or sale of Equity Interests in Holdings, the Borrower or any Subsidiary, or any capital contributions to Holdings, the Borrower or any Subsidiary (other than, in each case, issuances or sales to, or contributions made by, Holdings, the Borrower or any Subsidiary).

" Excluded Subsidiary " means (a) any Domestic Subsidiary that is not a wholly-owned Significant Subsidiary, (b) any Subsidiary that is a CFC, a CFC Holding Company or a Pass-Through Foreign Subsidiary (and accordingly, in no event shall a CFC, a CFC Holding Company or a Pass-Through Foreign Subsidiary be required to enter into any Security Document or pledge any assets hereunder), (c) any Subsidiary that is prohibited by Requirements of Law from guaranteeing the Obligations and (d) the TEB Trust; provided that any Subsidiary (other than the TEB Trust) shall cease to be an Excluded Subsidiary at such time as none of clauses (a), (b) or (c) above apply to it.

" Excluded Taxes " means any of the following Taxes imposed on or with respect to a Credit Party or required to be withheld or deducted from a payment to a Credit Party: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed as a result of such Credit Party being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. Federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in such Loan or Borrowing or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Credit Party's failure to comply with Section 2.17(f) and (d) any U.S. Federal withholding Taxes imposed under FATCA.

" Existing Credit Agreement " means the Amended and Restated Credit Agreement dated as of October 24, 2012, among TriNet HR Corporation and SOI Holdings, Inc., as borrowers, Holdings and certain Subsidiaries, as guarantors, the lenders party thereto and KeyBank National Association, as administrative agent, as amended and in effect on the date hereof.

" Fair Labor Standards Act " means the Fair Labor Standards Act, 29 U.S.C. §§ 201 et seq.

" FATCA " means Sections 1471 through 1474 of the Code, as of the date hereof (including any amended or successor version thereof that is substantively comparable and not materially more onerous to comply with), and any current or future regulations or official interpretations thereof.

" Federal Funds Effective Rate " means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a

Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

" Financial Officer " means, with respect to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

" First Lien Alternative Incremental Facility Indebtedness " means "Alternative Incremental Facility Indebtedness", as defined in the First Lien Credit Agreement (as in effect on the Effective Date, without giving effect to any amendment or waiver thereof or of any defined term used therein) incurred pursuant to Section 6.01(a)(xiii) thereof and in compliance with Section 6.01(a)(xiv) hereof.

" First Lien Credit Agreement " means the First Lien Credit Agreement dated as of the date hereof, among the Borrower, Holdings, the financial institutions parties thereto, as lenders, and JPMorgan Chase Bank, N.A., as administrative agent.

" First Lien Incremental Facility Indebtedness " means Indebtedness incurred pursuant to Section 2.21 of the First Lien Credit Agreement (as in effect on the Effective Date, without giving effect to any amendment or waiver thereof or of any defined term used therein) and in compliance with Section 6.01(a)(xiv) hereof.

" First Lien Loan Document Obligations " means the "Loan Document Obligations" as defined in the First Lien Credit Agreement (as in effect on the Effective Date, without giving effect to any amendment or waiver thereof or of any defined term used therein).

" First Lien Leverage Ratio " means, on any date, the ratio of (a) Consolidated First Lien Debt as of such date minus the lesser of Available Domestic Cash as of such date and $50,000,000 to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters of Holdings most recently ended on or prior to such date in respect of which financial statements have been delivered pursuant to Section 5.01(a) or (b).

" First Lien/Second Lien Intercreditor Agreement " means the First Lien/Second Lien Intercreditor Agreement substantially in the form of Exhibit G-1 .

" First Lien Security Documents " means the collateral agreements, security agreements, pledge agreements, mortgages and each other security agreement or other instrument or document executed and delivered pursuant to the First Lien Credit Agreement to create or perfect Liens that secure the obligations of the Loan Parties under the First Lien Credit Agreement, all of which are Liens subject to the First Lien/Second Lien Intercreditor Agreement.

" Foreign Lender " means any Lender that is not a U.S. Person.

" Foreign Pension Plan " means any benefit plan that under applicable law of any jurisdiction other than the United States is required to be funded through a trust or

other funding vehicle other than a trust or funding vehicle maintained exclusively by a Governmental Authority.

" Foreign Pledge Agreement " means a pledge or charge agreement granting a Lien on Equity Interests in a Foreign Subsidiary to secure the Obligations, governed by the law of the jurisdiction of organization of such Foreign Subsidiary and in form and substance necessary to create and perfect in the applicable jurisdiction the Lien of the Administrative Agent.

" Foreign Subsidiary " means any Subsidiary that is not a Domestic Subsidiary.

" GAAP " means generally accepted accounting principles in the United States of America as in effect from time to time.

" GAAP Working Capital " means, at any date of determination, (a) the consolidated current assets of Holdings and the Subsidiaries as of such date minus (b) the consolidated current liabilities of Holdings and the Subsidiaries as of such date, in each case calculated in accordance with GAAP.

" General Atlantic " means investment entities managed by or that are Controlled Affiliates of General Atlantic LLC.

" Governmental Approvals " means all authorizations, consents, approvals, permits, licenses and exemptions of, registrations and filings with, and reports to, Governmental Authorities.

" Governmental Authority " means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national body exercising such powers or functions, such as the European Union or the European Central Bank).

" Guarantee " of or by any Person (the " guarantor ") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the " primary obligor ") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or other obligation; provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary

course of business. The amount, as of any date of determination, of any Guarantee shall be the principal amount outstanding on such date of the Indebtedness or other obligation guaranteed thereby (or, in the case of (i) any Guarantee the terms of which limit the monetary exposure of the guarantor or (ii) any Guarantee of an obligation that does not have a principal amount, the maximum monetary exposure as of such date of the guarantor under such Guarantee (as determined, in the case of clause (i), pursuant to such terms or, in the case of clause (ii), reasonably and in good faith by a Financial Officer of the Borrower)). The term "Guarantee" used as a verb has a corresponding meaning.

" Hazardous Materials " means all explosive, radioactive, hazardous or toxic substances, materials, wastes or other pollutants, including petroleum or petroleum by-products or distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, or wastes which are regulated pursuant to any Environmental Law.

" Hedging Agreement " means any agreement with respect to any swap, forward, future or derivative transaction, or any option or similar agreement, involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt securities or instruments, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of the foregoing 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 Holdings, the Borrower or any Subsidiary shall be a Hedging Agreement.

" Hedging Obligations " means, with respect to any Person, the obligations of such Person under any Hedging Agreements.

" Holdings " means TriNet Group, Inc., a Delaware corporation.

" Incremental Facility Amendment " means an amendment to this Agreement among Holdings, the Borrower, the Administrative Agent and one or more Incremental Term Lenders, establishing Incremental Term Commitments of any Series and effecting such other amendments hereto and to the other Loan Documents as are contemplated by Section 2.21.

" Incremental Term Commitment " means, with respect to any Lender, the commitment, if any, of such Lender, established pursuant to an Incremental Facility Amendment and Section 2.21, to make Incremental Term Loans of any Series hereunder, expressed as an amount representing the maximum principal amount of the Incremental Term Loans of such Series to be made by such Lender.

" Incremental Term Facility " means an incremental term loan facility established hereunder pursuant to an Incremental Facility Amendment providing for Incremental Term Commitments.

" Incremental Term Lender " means a Lender with an Incremental Term Commitment or an outstanding Incremental Term Loan.

" Incremental Term Loan " means a Loan made by an Incremental Term Lender to the Borrower pursuant to Section 2.21.

" Incremental Term Loan Maturity Date " means, with respect to Incremental Term Loans of any Series, the scheduled date on which such Incremental Term Loans shall become due and payable in full hereunder, as specified in the applicable Incremental Facility Amendment.

" Indebtedness " of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person (excluding, for the avoidance of doubt, trade accounts payable incurred in the ordinary course of business), (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding trade accounts payable, deferred compensation arrangements for employees, directors and officers and other accrued obligations, in each case incurred in the ordinary course of business), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed by such Person, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances and (j) all Disqualified Equity Interests in such Person, valued, as of the date of determination, at the greater of (i) the maximum aggregate amount that would be payable upon maturity, redemption, repayment or repurchase thereof (or of Disqualified Equity Interests or Indebtedness into which such Disqualified Equity Interests are convertible or exchangeable) and (ii) the maximum liquidation preference of such Disqualified Equity Interests. The Indebtedness of any Person shall include the Indebtedness of any other Person (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such other Person, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor. Notwithstanding the foregoing, the term "Indebtedness" shall not include (i) purchase price adjustments, earnouts, holdbacks or deferred payments of a similar nature (including deferred compensation representing consideration or other contingent obligations incurred in connection with an acquisition), except in each case to the extent that such amount payable is, or becomes, reasonably determinable and contingencies have been resolved or such amount would otherwise be required to be reflected on a balance sheet prepared in accordance with GAAP; (ii) current accounts payable incurred in the ordinary course of business, (iii) obligations in respect of non-competes and similar agreements, and (iv) licenses and operating leases. The amount of Indebtedness of any Person for purposes of clause (e) above shall (unless such Indebtedness has been assumed by such Person or such Person has otherwise become liable for the payment thereof) be deemed to be equal to the lesser of (i) the aggregate

unpaid amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

" Indemnified Taxes " means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under this Agreement or any other Loan Document and (b) to the extent not otherwise described in clause (a) of this definition, Other Taxes.

" Indemnitee " has the meaning set forth in Section 9.03(b).

" Initial Lender " means each of JPMorgan Chase Bank, N.A, Morgan Stanley Senior Funding, Inc., Bank of America, N.A., Deutsche Bank AG New York Branch and KeyBank National Association.

" Intellectual Property " means all intellectual and similar property of every kind and nature now owned or hereafter acquired by Holdings or any Subsidiary, including inventions, designs, patents, copyrights, licenses, trademarks, trade secrets, domain names, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

" Intercompany Note " means the Subordinated Intercompany Note substantially in the form of Exhibit F hereto.

" Interest Election Request " means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.07, which shall be, in the case of any such written request, substantially in the form of Exhibit H .

" Interest Payment Date " means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, such day or days prior to the last day of such Interest Period as shall occur at intervals of three months' duration after the first day of such Interest Period.

" Interest Period " means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter (or, to the extent made available by all Lenders of the Class participating therein, twelve months thereafter), as the Borrower may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding

day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

" Investment " means, with respect to a specified Person, (i) any Equity Interests, evidences of Indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, or any capital contribution or loans or advances (other than advances made in the ordinary course of business that would be recorded as accounts receivable on the balance sheet of the specified Person prepared in accordance with GAAP) to, Guarantees of any Indebtedness or other obligations of, or any other investment in, any other Person that are held or made by the specified Person and (ii) the purchase or acquisition (in one transaction or a series of related transactions) of all or substantially all the property and assets or business of another Person or assets constituting a business unit, line of business, division or product line of such other Person. The amount, as of any date of determination, of (a) any Investment in the form of a loan or an advance shall be the principal amount thereof outstanding on such date (excluding any portion thereof representing paid-in-kind interest or principal accretion), without any adjustment for write-downs or write-offs (including as a result of forgiveness of any portion thereof) with respect to such loan or advance after the date thereof, (b) any Investment in the form of a Guarantee shall be determined in accordance with the definition of the term "Guarantee", (c) any Investment in the form of a transfer of Equity Interests or other non-cash property by the investor to the investee, including any such transfer in the form of a capital contribution, shall be the fair value (as determined reasonably and in good faith by the Borrower in accordance with GAAP) of such Equity Interests or other property as of the time of the transfer, minus any payments actually received in cash, or other property that has been converted into cash or is readily marketable for cash, by such specified Person representing a return of capital of such Investment, but without any adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such transfer, (d) any Investment (other than any Investment referred to in clause (a), (b) or (c) above) by the specified Person in the form of a purchase or other acquisition for value of any Equity Interests, evidences of Indebtedness, other securities or assets of any other Person shall be the original cost of such Investment (including any Indebtedness assumed in connection therewith), plus the cost of all additions, as of such date, thereto, and minus the amount, as of such date, of any portion of such Investment repaid to the investor in cash as a repayment of principal or a return of capital, as the case may be, but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such Investment, and (e) any Investment (other than any Investment referred to in clause (a), (b), (c) or (d) above) by the specified Person in any other Person resulting from the issuance by such other Person of its Equity Interests to the specified Person shall be the fair value (as determined reasonably and in good faith by the chief financial officer of the Borrower) of such Equity Interests at the time of the issuance thereof. For purposes of Section 6.04, if an Investment involves the acquisition of more than one Person, the amount of such Investment shall be allocated among the acquired Persons in accordance with GAAP;

provided that pending the final determination of the amounts to be so allocated in accordance with GAAP, such allocation shall be as reasonably determined by a Financial Officer.

" Investment Company Act " means the U.S. Investment Company Act of 1940, as amended.

" IPO " means a bona fide underwritten initial public offering of voting common Equity Interests of Holdings (or of a Qualified IPO Parent) newly issued by Holdings (or such Qualified IPO Parent), pursuant to a registration statement filed with the SEC under the Securities Act of 1933, excluding any such offering effected on Form S-8 or otherwise made with respect to or for the benefit of employee plans.

" IRS " means the United States Internal Revenue Service.

" Latest Maturity Date " means at any date of determination, the latest Maturity Date applicable to any Loan hereunder at such time, including any Maturity Date that has been extended from time to time in accordance with this Agreement.

" Lender Parent " means, with respect to any Lender, any Person in respect of which such Lender is a subsidiary.

" Lenders " means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption or an Incremental Facility Amendment, other than any such Person that shall have ceased to be a party hereto pursuant to an Assignment and Assumption.

" LIBO Rate " means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page on such screen) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits in the London interbank market with a maturity comparable to such Interest Period. In the event that such rate does not appear on such page (or on any such successor or substitute page), the "LIBO Rate" shall be determined by reference to such other publicly available service for displaying interest rates for dollar deposits in the London interbank market as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of JPMorgan Chase Bank, N.A. in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period. Notwithstanding the foregoing, if the LIBO Rate determined in accordance with this definition is below zero, the LIBO Rate shall be deemed to be zero.

" Lien " means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, charge, security interest or other encumbrance on, in or of such asset, including any agreement to provide any of the foregoing, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or Synthetic Lease

Obligations or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

" Loan Documents " means this Agreement, any Incremental Facility Amendment, any Refinancing Facility Agreement, any Loan Modification Agreement, the Collateral Agreement, the Intercompany Note, the other Security Documents, the First Lien/Second Lien Intercreditor Agreement, the Pari Passu Second Lien Intercreditor Agreement (upon the effectiveness thereof) and, except for purposes of Section 9.02, any promissory notes delivered pursuant to Section 2.09(c) (and, in each case, any amendment, restatement, waiver, supplement or other modification to any of the foregoing).

" Loan Modification Agreement " means a Loan Modification Agreement among Holdings, the Borrower, the Administrative Agent and one or more Accepting Lenders, effecting one or more Permitted Amendments and such other amendments hereto and to the other Loan Documents as are contemplated by Section 2.23.

" Loan Modification Offer " has the meaning set forth in Section 2.23(a).

" Loan Parties " means Holdings, the Borrower and each Subsidiary Loan Party.

" Loans " means the loans made by the Lenders to the Borrower pursuant to this Agreement, including pursuant to any Incremental Facility Amendment or any Refinancing Facility Agreement.

" Long-Term Indebtedness " means any Indebtedness that, in accordance with GAAP, constitutes (or, when incurred, constituted) a long-term liability.

" Majority in Interest ", when used in reference to Lenders of any Class, means, at any time, Lenders other than Excluded Lenders holding outstanding Loans of such Class representing more than 50% of the aggregate principal amount of all Loans of such Class outstanding at such time (other than Loans of Excluded Lenders).

" Management Group " means the group consisting of the directors, executive officers and other executive management personnel of Holdings and its Significant Subsidiaries on the Effective Date together with (x) any new directors whose election by such boards of directors or whose nomination for election by the shareholders of Holdings was approved by a vote of a majority of the directors of Holdings or the applicable Subsidiary then still in office who were either directors on the Effective Date or whose election or nomination was previously so approved and (y) executive officers of Holdings and such Significant Subsidiaries, as the case may be, hired at a time when the directors on the Effective Date together with the directors so approved constituted a majority of the directors of Holdings or the applicable Significant Subsidiary.

" Material Acquisition " means any acquisition, or a series of related acquisitions, of (a) Equity Interests in any Person if, after giving effect thereto, such Person will become a Subsidiary or (b) assets comprising all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of) any Person; provided that the aggregate consideration therefor (including Indebtedness assumed in connection therewith, all obligations in respect of deferred purchase price (including obligations under any purchase price adjustment, as estimated in good faith by the Borrower, but excluding earnout, contingent payment or similar payments) and all other consideration payable in connection therewith (including payment obligations in respect of noncompetition agreements or other arrangements representing acquisition consideration)) exceeds $5,000,000.

" Material Adverse Effect " means an event or condition that has resulted, or could reasonably be expected to result, in a material adverse effect on (a) the business, assets, operations or financial condition of Holdings, the Borrower and the Subsidiaries, taken as a whole, (b) the ability of Holdings, the Borrower and the other Loan Parties, taken as a whole, to perform their payment obligations under the Loan Documents or (c) the rights and remedies of the Administrative Agent and the Lenders under the Loan Documents.

" Material Disposition " means any Disposition, or a series of related Dispositions, of (a) all or substantially all the issued and outstanding Equity Interests in any Person that are owned by Holdings, the Borrower or any Subsidiary or (b) assets comprising all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of) any Person; provided that the aggregate consideration therefor (including Indebtedness assumed by the transferee in connection therewith, all obligations in respect of deferred purchase price (including obligations under any purchase price adjustment, as estimated in good faith by the Borrower, but excluding earnout, contingent payment or similar payments) and all other consideration payable in connection therewith (including payment obligations in respect of noncompetition agreements or other arrangements representing acquisition consideration)) exceeds $5,000,000.

" Material Indebtedness " means Indebtedness (other than the Loans and Guarantees under the Loan Documents) or Hedging Obligations, of any one or more of Holdings, the Borrower and the Subsidiaries in an aggregate principal amount of $15,000,000 or more. For purposes of determining Material Indebtedness, the "principal amount" of any Hedging Obligation at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that Holdings, the Borrower or such Subsidiary would be required to pay if the applicable Hedging Agreement were terminated at such time.

" Material Subsidiary " has the meaning set forth in Section 7.01.

" Maturity Date " means, in the case of the Loans made hereunder on the Effective Date, February 20, 2021, and with respect to any Series of Incremental Term Loans made hereunder, the Incremental Term Loan Maturity Date with respect thereto,

and any extended maturity date with respect to all or a portion of any Class of Loans hereunder pursuant to a Refinancing Facility Agreement or a Loan Modification Agreement, in each case as the context requires.

" Maximum Incremental Amount " means (a) the Base Incremental Amount plus (b) such additional amount represented by Incremental Term Facility Indebtedness to be established pursuant to Section 2.21 or Alternative Incremental Facility Indebtedness to be incurred pursuant to Section 6.01(a)(xiii), as the case may be, that would not, immediately after giving effect to the establishment or incurrence thereof, cause the Total Leverage Ratio, calculated on a Pro Forma Basis as of the date of incurrence of such Indebtedness (excluding the cash proceeds of the incurrence of any such Indebtedness but including the use of proceeds from any such Indebtedness), but including for purposes of such calculation all such Alternative Incremental Facility Indebtedness (and any Refinancing Indebtedness in respect thereof), to exceed 5.00 to 1.00.

" Maximum Rate " has the meaning set forth in Section 9.13.

" Minimum Extension Condition " has the meaning set forth in Section 2.23(a).

" MNPI " means material information concerning Holdings, the Borrower, any Subsidiary or any Affiliate of any of the foregoing or their securities that has not been disseminated in a manner making it available to investors generally, within the meaning of Regulation FD under the Securities Act and the Exchange Act. For purposes of this definition, "material information" means information concerning Holdings, the Borrower, the Subsidiaries or any Affiliate of any of the foregoing or any of their securities that could reasonably be expected to be material for purposes of the United States Federal and State securities laws and, where applicable, foreign securities laws.

" Moody's " means Moody's Investors Service, Inc., and any successor to its rating agency business.

" Mortgage " means a mortgage, deed of trust, assignment of leases and rents or other security document granting a Lien on any Mortgaged Property to secure the Obligations. Each Mortgage shall be in form and substance reasonably satisfactory to the Administrative Agent.

" Mortgaged Property " means each parcel of real property owned in fee by a Loan Party, and the improvements thereto, that (together with such improvements) has a book or fair value of $5,000,000 or more, subject to the limitations in the definition of the term "Collateral and Guarantee Requirement".

" Multiemployer Plan " means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

" Net Proceeds " means, with respect to any event, (a) the cash proceeds (which term, for purposes of this definition, shall include cash equivalents) (including, in

the case of any casualty, condemnation or similar proceeding, insurance, condemnation or similar proceeds) received in respect of such event, including any cash received in respect of any noncash proceeds, but only as and when received, net of (b) the sum, without duplication, of (i) all fees and out-of-pocket expenses paid in connection with such event by the Holdings and the Subsidiaries, (ii) in the case of a Disposition (including pursuant to a Sale/Leaseback Transaction or a casualty or a condemnation or similar proceeding) of an asset, (A) the amount of all payments required to be made by Holdings, the Borrower and the Subsidiaries as a result of such event to repay Indebtedness (other than Loans) secured by such asset, (B) the pro rata portion of net cash proceeds thereof (calculated without regard to this subclause (B)) attributable to minority interests and not available for distribution to or for the account of Holdings and the Subsidiaries as a result thereof, and (C) the amount of any liabilities directly associated with such asset and retained by Holdings or any Subsidiary and (iii) the amount of all taxes paid (or reasonably estimated to be payable) by Holdings, the Borrower and the Subsidiaries (including any taxes paid or payable in connection with transferring or distributing any such amounts to Holdings or the Borrower), and the amount of any reserves established by Holdings, the Borrower and the Subsidiaries in accordance with GAAP to fund purchase price adjustment, indemnification and similar contingent liabilities (other than any earnout, holdback or similar obligations) reasonably estimated to be payable and that are directly attributable to the occurrence of such event (as determined reasonably and in good faith by the chief financial officer of the Borrower). For purposes of this definition, in the event any contingent liability reserve established with respect to any event as described in clause (b)(iii) above shall be reduced in an aggregate amount equal to or greater than $100,000, the amount of such reduction shall, except to the extent such reduction is made as a result of a payment having been made in respect of the contingent liabilities with respect to which such reserve has been established, be deemed to be receipt, on the date of such reduction, of cash proceeds in respect of such event.

" Net Working Capital " means, at any date of determination, (a) the consolidated current assets of Holdings and the Subsidiaries as of such date (excluding cash and Permitted Investments) minus (b) the consolidated current liabilities of Holdings and the Subsidiaries as of such date (excluding current liabilities in respect of Consolidated Total Debt). Net Working Capital at any date may be a positive or negative number. Net Working Capital increases when it becomes more positive or less negative and decreases when it becomes less positive or more negative.

" Non-Cash Charges " means any noncash charges, including (a) any write-off for impairment of long lived assets (including goodwill, intangible assets and fixed assets such as property, plant and equipment), or of deferred financing fees or investments in debt and equity securities, in each case, pursuant to GAAP, (b) non-cash expenses resulting from the grant of stock options, restricted stock awards or other equity-based incentives to any director, officer or employee of the Borrower or any Subsidiary (excluding, for the avoidance of doubt, any cash payments of income taxes made for the benefit of any such Person in consideration of the surrender of any portion of such options, stock or other incentives upon the exercise or vesting thereof), (c) any non-cash charges resulting from (i) the application of purchase accounting or (ii)

investments in minority interests in a Person, to the extent that such investments are subject to the equity method of accounting; provided that Non-Cash Charges shall not include additions to bad debt reserves or bad debt expense and any noncash charge that results from the write-down or write-off of accounts receivable, and (d) the non-cash impact of accounting changes or restatements.

" Non-Compliant Assets " has the meaning set forth in the definition of Permitted Acquisition.

" Non-Compliant Subsidiary " has the meaning set forth in the definition of Permitted Acquisition.

" Non-Consenting Lender " has the meaning set forth in Section 9.02(c).

" Obligations " means (a) the due and punctual payment by the Borrower of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations of the Borrower under this Agreement and each of the other Loan Documents, including obligations to pay fees, expense reimbursement obligations (including with respect to attorneys' fees) and indemnification obligations, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), (b) the due and punctual performance of all other obligations of the Borrower under or pursuant to this Agreement and each of the other Loan Documents and (c) the due and punctual payment and performance of all the obligations of each other Loan Party under or pursuant to each of the Loan Documents (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding).

" Organizational Documents " means (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement, and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and, if applicable, any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

" Other Connection Taxes " means, with respect to any Credit Party, Taxes imposed as a result of a present or former connection between such Credit Party and the jurisdiction imposing such Taxes (other than a connection arising from such Credit Party having executed, delivered, enforced, become a party to, performed its obligations under,

received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, or enforced by, this Agreement).

" Other First Lien Secured Indebtedness " means, at any time, all First Lien Alternative Incremental Facility Indebtedness, all Permitted First Priority Refinancing Indebtedness and all Refinancing Indebtedness in respect thereof that, in each case, is secured by the Collateral on a first lien basis in accordance with the First Lien/Second Lien Intercreditor Agreement.

" Other Second Lien Secured Indebtedness " means, at any time, all Alternative Incremental Facility Indebtedness, all Permitted Second Priority Refinancing Indebtedness and all Refinancing Indebtedness in respect thereof that, in each case, is secured by the Collateral on a *pari passu* basis with the Obligations in accordance with the Second Lien Pari Passu Intercreditor Agreement.

" Other Taxes " means any present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the registration, receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment under Section 2.19(b)).

" Pari Passu Second Lien Intercreditor Agreement " means the Pari Passu Second Lien Intercreditor Agreement substantially in the form of Exhibit G-2.

" Participant Register " has the meaning set forth in Section 9.04(c).

" Participants " has the meaning set forth in Section 9.04(c)(i).

" Pass-Through Foreign Subsidiary " means any Foreign Subsidiary, other than a CFC Holding Company, that (i) is treated as a partnership under the Code or (ii) is not treated as an entity that is separate from (x) a Loan Party that directly holds Equity Interests in such Foreign Subsidiary, (y) any Subsidiary that is treated as a partnership under the Code, or (z) any "United States person", as defined in Section 7701(a)(30) of the Code (or any successor provision).

" PBGC " means the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

" Perfection Certificate " means a certificate substantially in the form of Exhibit I-1 .

" Permitted Acquisition " means the purchase or other acquisition, by merger or otherwise, by Holdings, the Borrower or any Subsidiary of substantially all the Equity Interests in, or all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of), any Person if (a) in the case of any purchase or other acquisition of Equity Interests in a

Person, such Person and each subsidiary of such Person is (except to the extent permitted below in the case of foreign and other Subsidiaries that will not become Loan Parties) organized under the laws of the United States of America, any State thereof or the District of Columbia and, upon the consummation of such acquisition, will be a wholly-owned Subsidiary that is a Domestic Subsidiary (including as a result of a merger or consolidation between any Subsidiary and such Person) and will be or become a Subsidiary Loan Party as required under the Collateral and Guarantee Requirement or (b) in the case of any purchase or other acquisition of assets other than Equity Interests, such assets will be owned by Holdings, the Borrower or a Subsidiary Loan Party; provided that (i) such purchase or acquisition was not consummated pursuant to, an unsolicited tender offer or proxy contest initiated by or on behalf of Holdings or any Subsidiary, (ii) all transactions related thereto are consummated in accordance with applicable law, except to the extent the failure to do so could not reasonably be expected to result in a Material Adverse Effect, (iii) the business of such Person, or such assets, as the case may be, constitute a business permitted under Section 6.03 (b), (iv) with respect to each such purchase or other acquisition, all actions required to be taken with respect to each newly created or acquired Subsidiary or assets in order to satisfy the requirements set forth in the definition of the term "Collateral and Guarantee Requirement" shall be taken within the required time periods for satisfaction of such requirements set forth therein, (v) at the time of and immediately after giving effect to any such purchase or other acquisition, (A) no Default shall have occurred and be continuing or would result therefrom and (B) the Total Leverage Ratio, calculated on a Pro Forma Basis, shall be less than 5.25 to 1.00 and (vi) if such purchase or other acquisition is a Material Acquisition, Holdings and the Borrower shall have delivered to the Administrative Agent a certificate of a Financial Officer of Holdings and the Borrower, certifying that all the requirements set forth in this definition have been satisfied with respect to such purchase or other acquisition, together with reasonably detailed calculations demonstrating satisfaction of the requirement set forth in clauses (v)(B) and (v)(C) above. Any pro forma calculations required in respect of clause (v)(B) or (C) above shall be made as of the last day of, or for, the period of four consecutive fiscal quarters of Holdings then most recently ended for which financial statements have been delivered pursuant to Section 5.01(a) or 5.01(b) (or prior to the first delivery of any such financial statements, as of the last day of, or period of four consecutive fiscal quarters ending with the last day of, the most recent fiscal quarter included in the financial statements referred to in Section 3.04(a)). Notwithstanding the foregoing, a Permitted Acquisition of a Person that will become a Loan Party may include the indirect acquisition of Non-Compliant Subsidiaries or Non-Compliant Assets if the consideration allocable to the acquisition of such Non-Compliant Subsidiaries or such Non-Compliant Assets, as applicable (determined in accordance with GAAP and as reasonably estimated by a Financial Officer of Holdings at the time such Permitted Acquisition is consummated) consists of the issuance of Qualified Equity Interests of Holdings; provided that all or any portion of the consideration for the acquisition of any Non-Compliant Subsidiaries and/or any Non-Compliant Assets that cannot be made pursuant to the foregoing provisions of this definition may also be funded in an amount not in excess of the amount, including the Available ECF Amount and the amount of Qualifying Equity Proceeds, then available for Investments under Section 6.04(s). For purposes of this definition, " Non-Compliant Subsidiary " means any Subsidiary of a

Person acquired pursuant to a Permitted Acquisition that will not become a Subsidiary Loan Party in accordance with the requirements of clause (a) of this definition, and " Non-Compliant Assets " means any assets acquired pursuant to a Permitted Acquisition to be held by a Subsidiary that is not a Subsidiary Loan Party.

" Permitted Amendment " means an amendment to this Agreement and the other Loan Documents, effected in connection with a Loan Modification Offer pursuant to Section 2.23, providing for an extension of the Maturity Date applicable to the Loans of the Accepting Lenders of a relevant Class and, in connection therewith, may also provide for (a)(i) a change in the Applicable Rate with respect to the Loans of the Accepting Lenders subject to such Permitted Amendment and/or (ii) a change in the fees payable to, or the inclusion of new fees to be payable to, the Accepting Lenders in respect of such Loans, and/or (b) other changes to the terms and conditions in respect of such Loans after the Maturity Date in respect thereof prior to giving effect to any extended maturity date effected pursuant to such Loan Modification Agreement.

" Permitted Encumbrances " means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 5.05;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlords' and other like Liens imposed by law (other than any Lien imposed pursuant to Section 430(k) of the Code or Section 303(k) of ERISA or a violation of Section 436 of the Code), arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.05;

(c) (i) Liens (including deposits and pledges) arising in the ordinary course of business in connection with worker's compensation, unemployment insurance, old age pensions and social security benefits and similar statutory obligations (excluding Liens arising under ERISA) and (ii) pledges and deposits in respect of letters of credit, bank guarantees or similar instruments issued for the account of Holdings or any Subsidiary in the ordinary course of business supporting obligations of the type set forth in clause (c)(i) above;

(d) pledges and deposits made (i) to secure the performance of bids, trade and commercial contracts (other than for payment of Indebtedness), leases (other than Capital Lease Obligations), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business, (ii) in respect of letters of credit, bank guarantees or similar instruments issued for the account of Holdings or any Subsidiary in the ordinary course of business supporting obligations of the type set forth in clause (d)(i) above, and (iii) in respect of capital requirements required by the Bermuda Monetary Authority in connection with Holding's captive insurance program;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (j) of Section 7.01;

(f) survey exceptions, easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business, and other minor title imperfections with respect to real property, that in any case do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) Liens arising from Permitted Investments described in clause (d) of the definition of the term Permitted Investments;

(h) banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with depository institutions and securities accounts and other financial assets maintained with a securities intermediary; provided that such deposit accounts or funds and securities accounts or other financial assets are not established or deposited for the purpose of providing collateral for any Indebtedness and are not subject to restrictions on access by Holdings, the Borrower or any Subsidiary in excess of those required by applicable banking regulations;

(i) Liens arising by virtue of Uniform Commercial Code financing statement filings (or similar filings under applicable law) regarding operating leases entered into by Holdings, the Borrower and the Subsidiaries in the ordinary course of business;

(j) Liens of a collecting bank arising in the ordinary course of business under Section 4-208 (or the applicable corresponding section) of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon;

(k) Liens representing any interest or title of a licensor, lessor or sublicensor or sublessor, or a licensee, lessee or sublicensee or sublessee, in the property subject to any lease, license or sublicense or concession agreement entered into in the ordinary course of business;

(l) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(m) Liens that are contractual rights of set-off; and

(n) Liens solely on any deposits, advances, contractual payments, including implementation allowances, or escrows made or paid to or with customers or clients or in connection with insurance arrangements, in each case, in the ordinary course of business;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness, other than Liens referred to clauses (c) and (d) above securing letters of credit, bank guarantees or similar instruments.

" Permitted First Priority Refinancing Indebtedness " has the meaning set forth in the First Lien Credit Agreement.

" Permitted Holders " means General Atlantic and the Management Group.

" Permitted Investments " means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof or, solely in the case of Investments in amounts and with maturities intended to correspond to obligations that will become payable in connection with workers compensation obligations, maturing not more than three years from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, (i) a short term credit rating of "P-1" or higher from Moody's or "A-1" or higher from S&P or (ii) a long term rating of "A2" or higher from Moody's or "A" or higher from S&P;

(c) investments in certificates of deposit, banker's acceptances and demand or time deposits, in each case maturing within 180 days from the date of acquisition thereof, issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) "money market funds" that (i) comply with the criteria set forth in Rule 2a-7 under the Investment Company Act, (ii) with (A) a short term credit rating of "P-1" or higher from Moody's or "A-1" or higher from S&P or (B) a long term rating of "A2" or higher from Moody's or "A" or higher from S&P and (iii) have portfolio assets of at least $5,000,000,00;

(f) Investments in Indebtedness issued by Persons with (i) a short term credit rating of "P-1" or higher from Moody's or "A-1" or higher from S&P or (ii) a long term rating of "A2" or higher from Moody's or "A" or higher from S&P, in each case for clauses (i) and (ii) with maturities not more than 12 months after the date of acquisition; and

(g) in the case of any Foreign Subsidiary, other short-term investments that are analogous to the foregoing, are of comparable credit quality and are customarily used by companies in the jurisdiction of such Foreign Subsidiary for cash management purposes.

" Permitted Second Priority Refinancing Indebtedness " means Indebtedness of the Borrower in the form of term loans (other than, for the avoidance of doubt, Incremental Term Loans or other Loans under this Agreement) or bonds, debentures, notes or similar instruments (a) that is secured by the Collateral on a *pari passu* basis (but without regard to the control of remedies) with the Obligations and is not secured by any property or assets of Holdings, the Borrower or any of the other Subsidiaries other than the Collateral, (b) the Net Proceeds of which, substantially concurrently with the incurrence thereof, are applied to the repayment or prepayment of then outstanding Borrowings of any Class in an aggregate principal amount equal to the aggregate amount of such Permitted Second Priority Refinancing Indebtedness (less the aggregate amount of accrued and unpaid interest with respect to such outstanding Borrowings and any reasonable fees, premium and expenses relating to such refinancing), (c) that does not mature earlier than the Latest Maturity Date then in effect, and has a weighted average life to maturity no shorter than the Loans with the latest Maturity Date in effect at the time of incurrence of such Indebtedness, (d) that does not provide for any amortization, mandatory prepayment, redemption or repurchase (other than upon a change of control, customary asset sale or event of loss, mandatory offers to purchase and customary acceleration rights after an event of default) prior to the date that is the Latest Maturity Date in effect at the time of incurrence of such Indebtedness, (e) that contains covenants, events of default and other terms that are customary for similar Indebtedness in light of then-prevailing market conditions and, when taken as a whole (other than interest rates, rate floors, fees and optional prepayment or redemption terms), are substantially identical to, or are not more restrictive to Holdings, the Borrower and the Subsidiaries than, those set forth in the Loan Documents (other than covenants or other provisions applicable only to periods after the Latest Maturity Date then in effect); provided that a certificate of a Financial Officer of the Borrower delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness or the modification, refinancing, refunding, renewal or extension thereof (or such shorter period of time as may reasonably be agreed by the Administrative Agent), together with a reasonably detailed description of the material terms and conditions of such resulting Indebtedness or drafts of the material definitive documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements shall be conclusive unless the Administrative Agent provides notice to the Borrower of its reasonable objection during such period together with a reasonable description of the basis upon which it objects, (f) the security agreements relating to which are substantially the same as the Security Documents, (g) that is not guaranteed by any Persons other than Holdings and Subsidiaries that are Subsidiary Loan Parties and (h) in respect of which a Senior Representative acting on behalf of the holders thereof shall have become party to the First Lien/Second Lien Intercreditor Agreement, if applicable, and the Pari Passu Second Lien Intercreditor Agreement; provided that if the Pari Passu Second Lien Intercreditor Agreement has not previously been executed and delivered, then Holdings, the Borrower,

the Subsidiary Loan Parties, the Administrative Agent at such time and the Senior Representative for such Indebtedness shall have executed and delivered the Pari Passu Second Lien Intercreditor Agreement. Permitted Second Priority Refinancing Indebtedness will include any Registered Equivalent Notes issued in exchange therefor.

" Permitted Unsecured Indebtedness " means Indebtedness of Holdings or the Borrower (i) that is not (and any Guarantees thereof by Subsidiaries or Holdings are not) secured by any collateral (including the Collateral), (ii) that does not mature earlier than the Latest Maturity Date then in effect, and has a weighted average life to maturity no shorter than the Class of Loans with the latest Maturity Date in effect at the time of incurrence of such Indebtedness, (iii) that does not provide for any amortization, mandatory prepayment, redemption or repurchase (other than upon a change of control, fundamental change, customary asset sale or event of loss mandatory offers to purchase and customary acceleration rights after an event of default and, for the avoidance of doubt, rights to convert or exchange in the case of convertible or exchangeable Indebtedness) prior to the date that is the Latest Maturity Date, (iv) that contains covenants, events of default, guarantees and other terms that are customary for similar Indebtedness in light of then-prevailing market conditions (it being understood that such Indebtedness shall not include any financial maintenance covenants and that applicable negative covenants shall be incurrence-based to the extent customary for similar Indebtedness) and, when taken as a whole (other than interest rates, rate floors, fees and optional prepayment or redemption terms), are not more restrictive to Holdings, the Borrower and the Subsidiaries than those set forth in the Loan Documents; provided that a certificate of a Financial Officer of the Borrower delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness or the modification, refinancing, refunding, renewal or extension thereof (or such shorter period of time as may reasonably be agreed by the Administrative Agent), together with a reasonably detailed description of the material terms and conditions of such resulting Indebtedness or drafts of the material definitive documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements shall be conclusive, and (v) that is not guaranteed by any Person other than on an unsecured basis by Holdings and Subsidiaries that are Subsidiary Loan Parties.

" Person " means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

" Plan " means any "employee benefit plan", as defined in Section 3(3) of ERISA (other than a Multiemployer Plan), that is subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any of its ERISA Affiliates is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

" Platform " has the meaning set forth in Section 9.01(d).

" Post-Acquisition Period " means, with respect to any Material Acquisition or any Material Disposition, the period beginning on the date such transaction is consummated and ending on the last day of the fourth full consecutive fiscal quarter immediately following the date on which such transaction is consummated.

" Prepayment Event " means:

(a) any sale, transfer, lease or other disposition (including pursuant to a sale and leaseback transaction and by way of merger or consolidation) (for purposes of this defined term, collectively, " dispositions ") of any asset of Holdings, the Borrower or any Subsidiary, other than (i) dispositions described in clauses (a), (b), (c), (d) (but only insofar as it does not relate to non-cash consideration arising out of Dispositions under Section 6.05(l)), (e), (f), (g), (h), (i) and (k) of Section 6.05 and (ii) other dispositions resulting in aggregate Net Proceeds not exceeding (A) $2,500,000 in the case of any single disposition or series of related dispositions and (B) $5,000,000 for all such dispositions during any fiscal year of Holdings;

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any asset of Holdings, the Borrower or any Subsidiary with a fair market value immediately prior to such event equal to or greater than $1,000,000;

(c) the incurrence by Holdings, the Borrower or any Subsidiary of any Indebtedness, other than Indebtedness permitted to be incurred under Section 6.01; and

(d) an IPO.

" Prime Rate " means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City. Each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

" Private Side Lender Representatives " means, with respect to any Lender, representatives of such Lender that are not Public Side Lender Representatives.

" Pro Forma Adjustment " means, for any Test Period that includes all or any part of a fiscal quarter included in any Post-Acquisition Period, the pro forma increase or decrease in Consolidated EBITDA (including the portion thereof attributable to any assets (including Equity Interests) sold or acquired) projected by Holdings in good faith as a result of (a) actions taken during such Post-Acquisition Period for the purposes of realizing reasonably identifiable and factually supportable cost savings or (b) any additional costs incurred during such Post-Acquisition Period, in each case in connection with the combination of the operations of the assets acquired with the operations of Holdings, the Borrower and the Subsidiaries or the applicable Disposition, provided that, so long as such actions are taken during such Post-Acquisition Period or such costs are incurred during such Post-Acquisition Period, as applicable, it may be assumed, for

purposes of projecting such pro forma increase or decrease to Consolidated EBITDA, that such cost savings will be realizable during the entirety, or such additional costs, as applicable, will be incurred during the entirety of such Test Period, provided further that any such pro forma increase or decrease to Consolidated EBITDA shall be without duplication for cost savings or additional costs already included in Consolidated EBITDA for such Test Period.

" Pro Forma Basis " and " Pro Forma Compliance " means, with respect to compliance with any test or covenant hereunder required by the terms of this Agreement to be made on a Pro Forma Basis, that (a) to the extent applicable, the Pro Forma Adjustment shall have been made and (b) all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of (or commencing with) the first day of the applicable period of measurement in such test or covenant: (i) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction (A) in the case of a Material Disposition of all or substantially all Equity Interests in any Subsidiary of Holdings or the Borrower or any division, product line, or facility used for operations of Holdings, the Borrower or any of the Subsidiaries, shall be excluded, and (B) in the case of a Permitted Acquisition or Investment described in the definition of "Specified Transaction", shall be included, (ii) any retirement of Indebtedness, (iii) any Indebtedness incurred or assumed by Holdings, the Borrower or any of the Subsidiaries in connection therewith and (iv) if any such Indebtedness has a floating or formula rate, such Indebtedness shall be deemed to have accrued an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate that is or would be in effect with respect to such Indebtedness as at the relevant date of determination; provided that, without limiting the application of the Pro Forma Adjustment pursuant to clause (a) above, the foregoing pro forma adjustments may be applied to any such test or covenant solely to the extent that such adjustments are consistent with (and subject to applicable limitations included in) the definition of Consolidated EBITDA and give effect to operating expense reductions that are (i) (x) directly attributable to such transaction, (y) expected to have a continuing impact on Holdings, the Borrower and the Subsidiaries and (z) factually supportable or (ii) otherwise consistent with the definition of Pro Forma Adjustment.

" Proposed Change " has the meaning set forth in Section 9.02(c).

" Public Side Lender Representatives " means, with respect to any Lender, representatives of such Lender that do not wish to receive MNPI.

" Purchasing Borrower Party " means any of Holdings, the Borrower or any other Subsidiary.

" Purchasing Debt Affiliate " means any Affiliate of Holdings, other than a Purchasing Borrower Party and other than any natural person.

" Qualified Equity Interests " means Equity Interests of Holdings other than Disqualified Equity Interests.

" Qualified IPO Parent " means an IPO issuer formed for the purpose of an IPO of which Holdings is and at all times remains a wholly-owned subsidiary.

" Qualifying Equity Proceeds " means on any date with respect to any expenditure to make an Investment under Section 6.04(s)(ii) (including in connection with the acquisition of Non-Compliant Subsidiaries and/or Non-Compliant Assets in a Permitted Acquisition), to make a Restricted Payment under Section 6.08(a)(viii) or to make a payment in reliance on Section 6.08(b)(viii)(A), the aggregate amount of Net Proceeds received by Holdings in respect of sales and issuances of its Qualified Equity Interests (other than any equity contribution made in reliance on Section 7.02 of the First Lien Credit Agreement, the issuance of Equity Interests to officers, directors or employees of Holdings or any Subsidiary pursuant to employee benefit or incentive plans or other similar arrangements, and the issuance of Equity Interests to any Subsidiary) during the 365-day period ending on the date of such expenditure, less the amount of all other expenditures for such purposes made during such period and on or prior to such date in reliance on such receipts of Net Proceeds.

" Refinancing " means the refinancing on the Effective Date, with the proceeds of the Loans and the proceeds of the term loans made under the First Lien Credit Agreement, of all Indebtedness, and the payment of all other obligations, of the Borrower and SOI Holdings, Inc., in each case, outstanding under the Existing Credit Agreement immediately prior to the Effective Date.

" Refinancing Facility Agreement " means an amendment to this Agreement among Holdings, the Borrower, the Administrative Agent and one or more Lenders, establishing Refinancing Term Loan Commitments of any Series and effecting such other amendments hereto and to the other Loan Documents as are contemplated by Section 2.22.

" Refinancing Indebtedness " means, in respect of any Indebtedness (the " Original Indebtedness "), any Indebtedness that extends, renews or refinances such Original Indebtedness (or any Refinancing Indebtedness in respect thereof); provided that (a) the principal amount (or accreted value, if applicable) of such Refinancing Indebtedness shall not exceed the principal amount (or accreted value, if applicable) of such Original Indebtedness except by an amount no greater than accrued and unpaid interest with respect to such Original Indebtedness and any reasonable fees, premium and expenses relating to such extension, renewal or refinancing; (b) the stated final maturity of such Refinancing Indebtedness shall not be earlier than that of such Original Indebtedness, and such stated final maturity shall not be subject to any conditions that could result in such stated final maturity occurring on a date that precedes the stated final maturity of such Original Indebtedness; (c) such Refinancing Indebtedness shall not be required to be repaid, prepaid, redeemed, repurchased or defeased, whether on one or more fixed dates, upon the occurrence of one or more events or at the option of any holder thereof (except, in each case, upon the occurrence of an event of default or a change in control, fundamental change, or upon conversion or exchange in the case of convertible or exchangeable Indebtedness or as and to the extent such repayment, prepayment, redemption, repurchase or defeasance would have been required pursuant to

the terms of such Original Indebtedness) prior to the earlier of (i) the maturity of such Original Indebtedness and (ii) the Latest Maturity Date in effect on the date of such extension, renewal or refinancing, provided that, notwithstanding the foregoing, scheduled amortization payments (however denominated) of such Refinancing Indebtedness shall be permitted so long as the weighted average life to maturity of such Refinancing Indebtedness shall be longer than the shorter of (x) the weighted average life to maturity of such Original Indebtedness remaining as of the date of such extension, renewal or refinancing and (y) the weighted average life to maturity of each Class of the Loans remaining as of the date of such extension, renewal or refinancing; (d) such Refinancing Indebtedness shall not constitute an obligation (including pursuant to a Guarantee) of the Borrower or any Subsidiary, in each case that shall not have been (or, in the case of after-acquired Subsidiaries, shall not have been required to become pursuant to the terms of the Original Indebtedness) an obligor in respect of such Original Indebtedness, and shall not constitute an obligation of Holdings if Holdings shall not have been an obligor in respect of such Original Indebtedness, and, in each case, shall constitute an obligation of the Borrower or such Subsidiary or of Holdings only to the extent of their obligations in respect of such Original Indebtedness; (e) if such Original Indebtedness shall have been subordinated to the Obligations, such Refinancing Indebtedness shall also be subordinated to the Obligations on terms not less favorable in any material respect to the Lenders; and (f) such Refinancing Indebtedness shall not be secured by any Lien on any asset other than the assets that secured such Original Indebtedness (or would have been required to secure such Original Indebtedness pursuant to the terms thereof) or, in the event Liens securing such Original Indebtedness shall have been contractually subordinated to any Lien securing the Obligations, by any Lien that shall not have been contractually subordinated to at least the same extent.

" Refinancing Term Lender " has the meaning set forth in Section 2.22(a).

" Refinancing Term Loan Commitments " has the meaning set forth in Section 2.22(a).

" Refinancing Term Loans " has the meaning set forth in Section 2.22(a).

" Register " has the meaning set forth in Section 9.04(b).

" Registered Equivalent Notes " means, with respect to any bonds, notes, debentures or similar instruments originally issued in a Rule 144A or other private placement transaction under the Securities Act, substantially identical notes (having the same Guarantees) issued in a dollar for dollar exchange therefor pursuant to an exchange offer registered with the SEC.

" Related Parties " means, with respect to any specified Person, such Person's Affiliates and the directors, officers, partners, trustees, employees, agents, administrators, managers, representatives and advisors of such Person and of such Person's Affiliates.

" Release " means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or within or upon any building, structure, facility or fixture.

" Required Lenders " means, at any time, Lenders having Loans representing more than 50% of the sum of the outstanding Loans at such time (excluding for purposes of any such calculation, Excluded Lenders).

" Requirements of Law " means, with respect to any Person, (a) the charter, articles or certificate of organization or incorporation and bylaws or other organizational or governing documents of such Person and (b) any law (including common law), statute, ordinance, treaty, rule, regulation, order, decree, writ, injunction, settlement agreement or determination of any arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

" Restricted Payment " means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in Holdings, the Borrower or any Subsidiary, or any payment or distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, exchange, conversion, cancelation or termination of any Equity Interests in Holdings, the Borrower or any Subsidiary, or any payment under any Hedging Agreement relating to such Equity Interests and providing for payments analogous to such dividends, distributions or other payments on account of Equity Interests in Holdings; provided , that no dividend, distribution or payment made solely with common Equity Interests of Holdings shall constitute a Restricted Payment.

" Sale/Leaseback Transaction " means an arrangement relating to property owned by Holdings, the Borrower or any other Subsidiary whereby Holdings, the Borrower or such other Subsidiary sells or transfers such property to any Person and Holdings, the Borrower or any other Subsidiary leases such property, or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, from such Person or its Affiliates.

" Sanctioned Person " means, at any time, (a) any Person listed in any Sanctions-related list of specially designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the U.S. Department of Commerce or the U.S. Department of the Treasury, (b) any Person operating, organized or resident in a jurisdiction subject to any Sanctions or (c) any Person Controlled by any such Person.

" Sanctions " means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the U.S. Department of Commerce or the U.S. Department of the Treasury.

" S&P " means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

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

" Secured Parties " means, collectively, (a) the Lenders, (b) the Administrative Agent, (c) the Arrangers, (d) the beneficiaries of each indemnification obligation undertaken by any Loan Party under this Agreement or any other Loan Document and (e) the successors and assigns of each of the foregoing.

" Securities Act " means the United States Securities Act of 1933.

" Security Documents " means the Collateral Agreement, the Foreign Pledge Agreements, the Mortgages, the Control Agreements and each other security agreement or other instrument or document executed and delivered pursuant to Section 5.12, Section 5.15 or the requirements of the Collateral and Guarantee Requirement to secure the Obligations.

" Senior Representative " means, with respect to any series of Permitted Second Priority Refinancing Indebtedness, Alternative Incremental Facility Indebtedness, Indebtedness under the First Lien Credit Agreement, Other First Lien Secured Indebtedness, or Refinancing Indebtedness in respect of any of the foregoing secured by the Collateral, the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement pursuant to which such Indebtedness is issued, incurred or otherwise obtained, as the case may be, and each of their successors in such capacities.

" Series " has the meaning set forth in Section 2.21(b).

" Significant Domestic Subsidiary " means any Domestic Subsidiary that is a Significant Subsidiary.

" Significant Foreign Subsidiary " means any Foreign Subsidiary that is a Significant Subsidiary.

" Significant Subsidiary " means (a) each Subsidiary (i) with total assets (including the value of Equity Interests of its subsidiaries), on any date of determination, equal to or greater than $5,000,000 and/or (ii) the gross revenues (net of payroll, taxes and benefits) of which, for the four preceding fiscal quarters most recently ended, are equal to or greater than $5,000,000, in each case calculated in accordance with GAAP, and (b) each Subsidiary that owns any Equity Interests of any Subsidiary that would be deemed a Significant Subsidiary under clause (a)(i) or (a)(ii) above.

" Specified ECF Percentage " means, with respect to mandatory prepayments under Section 2.11(c) in respect of Excess Cash Flow for any fiscal year of Holdings, (a) 50%, if the Total Leverage Ratio as of the last day of such fiscal year is equal to or greater than 3.75 to 1.0, (b) 25%, if the Total Leverage Ratio as of the last day of such fiscal year is less than 3.75 to 1.0 and equal to or greater than 3.00 to 1.0, and (c)

0%, if the Total Leverage Ratio as of the last day of such fiscal year is less than 3.00 to 1.0.

" Specified Transaction " means, with respect to any period, any Investment, Permitted Acquisition, Disposition, incurrence or repayment of Indebtedness, Restricted Payment, incurrence of Incremental Facilities or other Indebtedness, or other event that by the terms of this Agreement requires "Pro Forma Compliance" with a test or covenant hereunder or requires such test or covenant to be calculated on a "Pro Forma Basis".

" Specified Uses " means (a) Investments (including to acquire Non-Compliant Subsidiaries in a Permitted Acquisition) made in reliance on Section 6.04(s)(ii), (b) Restricted Payments made in reliance on Section 6.08(a)(viii) and (c) payments or other distributions made in reliance on Section 6.08(b)(viii)(A).

" Statutory Reserve Rate " means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board of Governors and any other banking authority (domestic or foreign) to which the Administrative Agent or any Lender (including any branch, Affiliate or fronting office making or holding a Loan) is subject for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board of Governors). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

" Subordinated Indebtedness " of any Person means any Indebtedness of such Person that is subordinated in right of payment to any other Indebtedness of such Person.

" subsidiary " means, with respect to any Person (the " parent ") at any date, (a) any Person the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP, and (b) any other Person of which Equity representing more than 50% of the equity value or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

" Subsidiary " means any subsidiary of Holdings.

" Subsidiary Loan Party " means each wholly owned Significant Domestic Subsidiary that is a party to the Collateral Agreement. Unless the context requires otherwise, the term "Subsidiary Loan Party" shall include the Borrower. No Pass Through Foreign Subsidiary, CFC or CFC Holding Company shall be a Subsidiary Loan Party.

" Supplemental Perfection Certificate " means a certificate in the form of Exhibit I-2 .

" Synthetic Lease Obligation " means, as to any Person, any lease (including leases that may be terminated by the lessee at any time) of real or personal property, or a combination thereof, (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee is deemed to own the property so leased for U.S. Federal income tax purposes, other than any such lease under which such Person is the lessor.

" Taxes " means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

" TEB Trust " means TriNet Employee Benefits Insurance Trust, a revocable grantor trust formed under the laws of the State of California and a wholly-owned Subsidiary of Holdings.

" Test Period " means each period of four consecutive fiscal quarters of Holdings.

" Total Leverage Ratio " means, on any date, the ratio of (a) Consolidated Total Debt as of such date minus the lesser of Available Domestic Cash as of such date and $50,000,000 to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters of Holdings most recently ended on or before such date for which financial statements have been delivered under Section 5.01(a) or (b).

" Transaction Costs " means all fees, costs and expenses incurred or payable by Holdings, the Borrower or any Subsidiary in connection with the Transactions consummated on the Effective Date.

" Transactions " means, collectively, (a) the execution, delivery and performance by each Loan Party of (i) the Loan Documents (including this Agreement) to which it is to be a party and (ii) the First Lien Credit Agreement and the First Lien Security Documents, in each case, to which it is party, (b) the creation and perfection of the security interests provided for in the Security Documents and the First Lien Security Documents, (c) the Refinancing, (d) the Dividend and (e) the payment of the Transaction Costs.

" TriNet Canada " means TriNet Employer Group Canada, Inc., a corporation duly organized under the laws of Ontario, Canada.

" Type ", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

" Unrestricted Cash " means, as of any date, unrestricted cash, cash equivalents and Permitted Investments maturing in less than 12 months owned by Holdings, the Borrower and the Subsidiaries that are not, and are not presently required under the terms of any agreement or other arrangement binding on Holdings, the Borrower or any Subsidiary on such date to be, (a) pledged to or held in one or more accounts under the control of one or more creditors (other than to secure the Obligations) or designated as "Work Site Employee Assets" on its balance sheet or (b) otherwise segregated from the general assets of Holdings, the Borrower and the Subsidiaries, in one or more special accounts or otherwise, for the purpose of securing or providing a source of payment for Indebtedness or other obligations that are or from time to time may be owed to one or more creditors (other than to secure the Obligations). It is agreed that cash and cash equivalents held in ordinary deposit or security accounts and not subject to any existing or contingent restrictions on transfer by Holdings, the Borrower or a Subsidiary will not be excluded from Unrestricted Cash by reason of setoff rights or other Liens created by law or by applicable account agreements in favor of the depositary institutions or security intermediaries.

" U.S. Person " means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

" U.S. Tax Compliance Certificate " has the meaning set forth in Section 2.17(f)(ii)(B)(3).

" USA Patriot Act " means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

" wholly-owned ", when used in reference to a subsidiary of any Person, means that all the Equity Interests in such subsidiary (other than directors' qualifying shares and other nominal amounts of Equity Interests that are required to be held by other Persons under applicable law) are owned, beneficially and of record, by such Person, another wholly-owned subsidiary of such Person or any combination thereof.

" Withdrawal Liability " means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans and Borrowings may be classified and referred to by Class (e.g ., a "Incremental Term Loan" or "Incremental Term Borrowing") or by Type (e.g. , a "Eurodollar Loan" or "Eurodollar Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine

and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all real and personal, tangible and intangible assets and properties, including cash, securities, accounts and contract rights. The word “law” shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders, writs and decrees, of all Governmental Authorities. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document (including this Agreement and the other Loan Documents) shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, extended, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, amendments and restatements, extensions, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, consolidated, replaced, interpreted, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement.

SECTION 1.04. Accounting Terms; GAAP; Pro Forma Calculations . (a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature used herein shall be construed in accordance with GAAP as in effect from time to time; provided that (i) if the Borrower, by notice to the Administrative Agent, shall request an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent or the Required Lenders, by notice to the Borrower, shall request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (ii) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to (A) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159, The Fair Value Option for Financial Assets and Financial Liabilities), or any successor thereto (including pursuant to the Accounting Standards Codification), to value any Indebtedness of the Borrower or any Subsidiary at “fair value”, as defined therein and (B) any treatment of Indebtedness

relating to convertible or equity-linked securities under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) requiring the valuation of any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof. For purposes of the foregoing, any change by the Borrower in its accounting principles and standards to adopt International Financial Reporting Standards, regardless of whether required by applicable laws and regulations, will be deemed a change in GAAP.

(b) For purposes of determining compliance with any test or covenant contained in this Agreement with respect to any period during which any Material Acquisition or Material Disposition occurs, Consolidated EBITDA, the Total Leverage Ratio and the First Lien Leverage Ratio and shall be calculated with respect to such period on a Pro Forma Basis, giving effect to such Material Acquisition or Material Disposition.

(c) Notwithstanding anything to the contrary set forth herein, for so long as the First Lien Credit Agreement remains outstanding, all documents and other items to be provided to, or any requirements to be satisfied to the satisfaction of, the Administrative Agent shall be deemed to be satisfactory hereunder if such documents, items and requirements are, except with respect to intercreditor matters, in the substantially same form as, or provided to, the documents, items or requirements provided or satisfactory to the administrative agent under the First Lien Credit Agreement.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees (a) to make a Loan to the Borrower on the Effective Date in a principal amount not exceeding its Commitment. All Loans shall be denominated in dollars. Amounts repaid or prepaid in respect of Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans of the same Type made by the Lenders ratably in accordance with their Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.14, each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith; provided that all Borrowings made on the Effective Date must be made as ABR Borrowings unless the Borrower shall have given the notice required for a Eurodollar Borrowing under Section 2.03 and provided an indemnity letter extending the benefits of

Section 2.16 to Lenders in respect of such Borrowings. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $500,000 and not less than $1,000,000; provided that a Eurodollar Borrowing that results from a continuation of an outstanding Eurodollar Borrowing may be in an aggregate amount that is equal to such outstanding Borrowing. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of 10 Eurodollar Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert to or continue, any Eurodollar Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date applicable thereto.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 1:00 p.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 1:00 p.m., New York City time, on the day of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of an executed written Borrowing Request. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) whether the requested Borrowing is to be a Borrowing in respect of Loans made on the Effective Date or an Incremental Term Borrowing of a particular Series;

(ii) the aggregate amount of such Borrowing;

(iii) the date of such Borrowing, which shall be a Business Day;

(iv) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(v) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”; and

(vi) the location and number of the account to which funds are to be disbursed.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any

requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. [Reserved]

SECTION 2.05. [Reserved]

SECTION 2.06. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 1:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with JPMorgan Chase Bank, N.A. in New York City and designated by the Borrower in the applicable Borrowing Request. Notwithstanding anything to the contrary contained in this Section 2.06(a), with respect to the Loan to be made on the Effective Date, the Lenders shall make such Loan directly available to the Borrower as specified by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may (but shall not be obligated to), in reliance upon such assumption and in its sole discretion, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Borrowings of the applicable Class. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.07. Interest Elections. (a) Each Borrowing initially shall be of the Type and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in the applicable Borrowing Request or as otherwise provided in Section 2.03. Thereafter, the Borrower may elect to convert such Borrowing to a

Borrowing of a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of an executed written Interest Election Request. Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(c) Promptly following receipt of an Interest Election Request in accordance with this Section, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of such Lender's portion of each resulting Borrowing.

(d) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as a Eurodollar Borrowing for an additional Interest Period of one month. Notwithstanding any contrary provision hereof, if an Event of Default under clause (h) or (i) of Section 7.01 has occurred and is

continuing with respect to the Borrower, or if any other Event of Default has occurred and is continuing and the Administrative Agent, at the request of a Majority in Interest of the Lenders of any Class, has notified the Borrower of the election to give effect to this sentence on account of such other Event of Default, then, in each such case, so long as such Event of Default is continuing, (i) no outstanding Borrowing of such Class may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.08. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall automatically terminate at 5:00 p.m., New York City time, on the Effective Date.

(b) The Borrower may at any time terminate, or from time to time permanently reduce, the Commitments of any Class; provided that each partial reduction of the Commitments of any Class shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the applicable Class of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable. Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the Lenders in accordance with their individual Commitments of such Class.

SECTION 2.09. Repayment of Loans; Evidence of Debt. (a) To the extent not previously paid, all Loans shall be due and payable on the applicable Maturity Date for such Loans, and the Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Effective Date Loan of such Lender on the applicable Maturity Date and (ii) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Incremental Term Loan of such Lender on the Maturity Date applicable to such Incremental Term Loans.

(b) The records maintained by the Administrative Agent and the Lenders shall be prima facie evidence of the existence and amounts of the obligations of the Borrower in respect of Loans, interest and fees due or accrued hereunder; provided that the failure of the Administrative Agent or any Lender to maintain such records or any error therein shall not in any manner affect the obligation of the Borrower to pay any amounts due hereunder in accordance with the terms of this Agreement.

(c) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to

such Lender and its registered assigns) and substantially in the form attached hereto as Exhibit L . Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein (or to such payee and its registered assigns).

SECTION 2.10. [Reserved]

SECTION 2.11. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, subject to the requirements of this Section.

(b) In the event and on each occasion that any Net Proceeds are received by or on behalf of Holdings, the Borrower or any Subsidiary (or, in the case of an IPO, any Qualified IPO Parent) in respect of any Prepayment Event (including by the Administrative Agent as loss payee in respect of any Prepayment Event described in clause (b) of the definition of the term "Prepayment Event"), the Borrower shall, not later than the fifth Business Day following the day such Net Proceeds are received, prepay Borrowings in an aggregate amount equal to 100% of the amount of such Net Proceeds; provided that the Borrower may use a portion of such Net Proceeds to prepay or repurchase Other Second Lien Secured Indebtedness to the extent any applicable credit agreement, indenture or other agreement governing such Other Second Lien Secured Indebtedness so requires, in each case in an amount not to exceed the product of (x) the amount of such Net Proceeds and (y) a fraction, the numerator of which is the outstanding principal amount of such Other Second Lien Secured Indebtedness and the denominator of which is the sum of the outstanding principal amount of such Other Second Lien Secured Indebtedness and the outstanding principal amount of Loans; provided further that, in the case of any event described in clause (a) or (b) of the definition of the term "Prepayment Event", if the Borrower shall, prior to the date of the required prepayment, deliver to the Administrative Agent a certificate of a Financial Officer of the Borrower to the effect that the Borrower intends to cause the Net Proceeds from such event (or a portion thereof specified in such certificate) to be applied within 365 days after receipt of such Net Proceeds to acquire assets to be used or useful in the business of the Borrower or any of the Subsidiary Loan Parties (or any Foreign Subsidiary solely to the extent such Net Proceeds are attributable to a Foreign Subsidiary), or to consummate any Permitted Acquisition in accordance with the provisions hereof of Persons that will become, or assets that will be held by, the Borrower or any of the Subsidiary Loan Parties (or any Foreign Subsidiary, solely to the extent such Net Proceeds are attributable to a Foreign Subsidiary) (but not of or by other Persons), and certifying that no Default has occurred and is continuing, then no prepayment shall be required pursuant to this paragraph in respect of the Net Proceeds in respect of such event (or the portion of such Net Proceeds specified in such certificate, if applicable) except to the extent of any such Net Proceeds that have not been so applied by the end of such 365-day period, with such Net Proceeds, at which time a prepayment shall be required in an amount equal to such Net Proceeds that have not been so applied.

(c) Subject to paragraph (g) of this Section, following the end of each fiscal year commencing with the fiscal year ending December 31, 2014 (each such fiscal year, an " ECF Year "), the Borrower shall prepay Loans of each Class in an aggregate amount equal to (i) (x) the Specified ECF Percentage of Excess Cash Flow in respect of such ECF Year plus , commencing with the payment to be made in respect of Excess Cash Flow for the ECF Year ending December 31, 2015, 100% of the ECF Shortfall Amount in respect of such ECF Year multiplied by (ii) the percentage of the aggregate principal amount of the Loans of all Classes outstanding as of the end of such ECF Year represented by the Loans of such Class (but, in each case, disregarding for purposes of determining such percentage any prepayments referred to in the immediately succeeding proviso); provided that such amount shall be reduced by the aggregate amount of prepayments of Loans of such Class made pursuant to paragraph (a) of this Section during such ECF Year, excluding any such prepayments to the extent financed from Excluded Sources. Each prepayment pursuant to this paragraph shall be made on or before the fifth Business Day following the date on which financial statements for such fiscal year are delivered pursuant to Section 5.01(a) with respect to the fiscal year for which Excess Cash Flow is being calculated, and in any event not later than the fifth Business Day following the last day on which such financial statements may be delivered in compliance with such Section(the date of each such required prepayment, an " ECF Sweep Payment Date ").

(d) In the event and on each occasion that, as a result of the receipt of any cash proceeds by Holdings, the Borrower or any other Subsidiary in connection with any Disposition of any asset or any other event, Holdings, the Borrower or any other Loan Party would be required by the terms of any Indebtedness that is Subordinated Indebtedness with respect to the Obligations (or any Refinancing Indebtedness in respect thereof) to repay, prepay, redeem, repurchase or defease, or make an offer to repay, prepay, redeem, repurchase or defease, any such Subordinated Indebtedness (or such Refinancing Indebtedness) or any other Subordinated Indebtedness, then, prior to the time at which it would be required to make such repayment, prepayment, redemption, repurchase or defeasance or to make such offer, the Borrower shall, if and to the extent it would reduce, eliminate or satisfy any such requirement, (i) prepay Borrowings or (ii) use such cash proceeds to acquire assets in one or more transactions permitted hereby.

(e) Prior to any optional or mandatory prepayment of Borrowings under this Section, the Borrower shall specify the Borrowing or Borrowings to be prepaid in the notice of such prepayment delivered pursuant to paragraph (f) of this Section. In the event of any mandatory prepayment of Loans made at a time when Loans of more than one Class are outstanding, the Borrower shall select Loans to be prepaid so that the aggregate amount of such prepayment is allocated among the Loans and, to the extent provided in the Incremental Facility Amendment for any Class of Incremental Term Loans, the Loans of such Class, pro rata based on the aggregate principal amounts of outstanding Loans of each such Class.

(f) The Borrower shall notify the Administrative Agent by telephone (confirmed by hand delivery or facsimile) of any optional prepayment and, to the extent practicable, any mandatory prepayment hereunder (i) in the case of prepayment of a

Eurodollar Borrowing, not later than 1:00 p.m., New York City time, three Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 1:00 p.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment; provided that if a notice of optional prepayment of Loans pursuant to paragraph (a) of this Section may state that such notice is conditioned upon the occurrence of one or more events specified therein, in which case such notice of prepayment may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified date of prepayment) if such condition is not satisfied. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the applicable Classes of the contents thereof. Each partial prepayment of any Loans shall be in an amount that would be permitted in the case of an advance of any Loans of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of Loans shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12.

(g) Notwithstanding the provisions of paragraph (c) of this Section 2.11, if, immediately after giving effect to any prepayment required by such paragraph in respect of Excess Cash Flow for any ECF Year and the ECF Shortfall Amount in respect of such ECF Year, the GAAP Working Capital of Holdings (as would be reflected on a consolidated balance sheet prepared in accordance with GAAP as of the prepayment date or as of the last day of the ECF Year in respect of which Excess Cash Flow is being calculated, in each case giving effect to such prepayment) would be less than $10,000,000, then the Borrower may defer payment of such amount of the required repayment to the next following ECF Sweep Payment Date as may be necessary so that such GAAP Working Capital as of each such date (calculated as provided above and giving effect to any prepayment made) will equal at least $10,000,000 (such retained amount in respect of the aggregate prepayment otherwise required to be made pursuant to paragraph (c) of this Section in that fiscal year, the " ECF Shortfall Amount " for such fiscal year, which for the avoidance of doubt will include , to the extent not paid on such payment date, the Excess Cash Flow payment in respect of the immediately preceding ECF Year as well as the ECF Shortfall Amount from such preceding fiscal year). Notwithstanding the foregoing, if on the last day of any fiscal quarter, the GAAP Working Capital of Holdings, taking into account the accrual under GAAP of payment obligations in respect of the ECF Shortfall Amount and the projected Excess Cash Flow prepayment to be made on the next following ECF Sweep Payment Date, would be less than $10,000,000, then only such portion (if any) of such ECF Shortfall Amount and of the Excess Cash Flow prepayment that would otherwise be required to be made on the next following ECF Sweep Payment Date that, if due and payable on such ECF Sweep Payment Date, would not result in such GAAP Working Capital being less than $10,000,000, will be payable on such ECF Sweep Payment Date, and the Borrower's obligation to pay the remainder of such ECF Shortfall Amount and such Excess Cash Flow prepayment will be automatically extended and deferred to the second following ECF Sweep Payment Date (subject, however, to adjustment in connection with

calculations of GAAP Working Capital on subsequent fiscal quarter end dates and, in the case of the next following ECF Sweep Payment Date, pursuant to the first sentence of this paragraph (g)).

(h) If all or any portion of the Loans of any Lender are repaid or prepaid for any reason (other than pursuant to Section 2.11(b) or 2.11(c) (except as a result of the receipt of Net Proceeds from an IPO), or 2.11(d), but including, for the avoidance of doubt, upon acceleration, in connection with the purchase of the Loans of any Lender required by the Borrower pursuant to Section 2.19(b) or 9.02(c), or in connection with any Refinancing Term Loans being made pursuant to Section 2.22), such repayment or prepayment shall be accompanied by a fee paid by the Borrower to such Lender in the case of any such repayment or prepayment (i) prior to the first anniversary of the Effective Date, equal to 2.0% of the aggregate principal amount of the Loans of such Lender so repaid or prepaid, (ii) on or after the first anniversary of the Effective Date and prior to the second anniversary of the Effective Date, equal to 1.0% of the aggregate principal amount of the Loans of such Lender so repaid or prepaid and (iii) on or after the second anniversary of the Effective Date, equal to 0%; provided that if such Loans are prepaid as a result of an IPO Prepayment Event referred to in clause (d) of the definition of such term on or prior to the date that is 120 days after the Effective Date, such fee shall be equal to 1.0%, rather than 2.0%, of the aggregate principal amount of the Loans so prepaid.

(i) Notwithstanding anything in this Section 2.11 to the contrary, unless and until there is no principal, premium, interest, fees or other amounts due or outstanding under the First Lien Credit Agreement and the lending commitments thereunder have been terminated, no mandatory prepayments of outstanding Loans that would otherwise be required under Section 2.11(b), (c), or (d), other than any such prepayment required as the result of an IPO Prepayment Event referred to in clause (d) of the definition of such term, shall be required to be made.

SECTION 2.12. Fees. The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2.00% per annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in

the case of any other amount, 2.00% per annum plus the rate applicable to an Effective Date Loan that is an ABR Borrowing. Payment or acceptance of the increased rates of interest provided for in this paragraph (c) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent or any Lender.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of a Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and shall be payable for the actual number of days elapsed (including the first day but excluding the last day; provided that, if a Loan, or a portion thereof, is repaid on the same day on which such Loan is made, one day's interest shall accrue on the portion of such Loan so prepaid). The applicable Alternate Base Rate or Adjusted LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing of any Class:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by a Majority in Interest of the Lenders of such Class that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Eurodollar Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders of such Class by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders of such Class that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing of such Class to, or continuation of any Borrowing of such Class as, a Eurodollar Borrowing shall be ineffective, and such Borrowing shall be continued as an ABR Borrowing and (ii) any Borrowing Request for a Eurodollar Borrowing of such Classshall be treated as a request for an ABR Borrowing.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate);

(ii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender; or

(iii) subject any Credit Party to any Taxes (other than (A) Indemnified Taxes (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Credit Party of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to reduce the amount of any sum received or receivable by such Lender or such other Credit Party hereunder (whether of principal, interest or otherwise), then, from time to time upon request of such Lender or such other Credit Party, the Borrower will pay to such Lender or such other Credit Party, as applicable, such additional amount or amounts as will compensate such Lender or such other Credit Party, as applicable, for such additional costs or expenses incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital or liquidity requirements has had or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy or liquidity), then, from time to time upon the request of such Lender, the Borrower will pay to such Lender, as applicable, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Credit Party setting forth the amount or amounts necessary to compensate such Lender or such Credit Party or its holding company, as applicable, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Credit Party the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Credit Party to demand compensation pursuant to this Section shall not constitute a waiver of such Credit Party's right to demand such compensation; provided that the Borrower shall not be required to compensate a Credit Party pursuant to this Section for any increased costs or expenses incurred or reductions suffered more than 270 days prior to the date that such Credit Party notifies the Borrower of the Change in Law giving rise to such increased costs or expenses or reductions and of such Credit Party's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or expenses or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (whether or not such notice may be revoked in accordance with the terms hereof) or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19(b) or 9.02(c), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan (but not including the Applicable Rate applicable thereto), for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate that such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the London interbank market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

SECTION 2.17. Taxes. (a) Payment Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under this Agreement or any other Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such

deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Credit Party receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Loan Parties. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent reimburse it for the payment of, any Other Taxes.

(c) Evidence of Payment. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Credit Party, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Credit Party or required to be withheld or deducted from a payment to such Credit Party and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error; provided that the Loan Parties shall not be required to indemnify a Credit Party pursuant to this Section to the extent that such Credit Party fails to notify the Loan Parties of its intent to make a claim for indemnification under this Section within 270 days after a claim is asserted by the relevant Governmental Authority.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand thereof, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case that are payable or paid by the Administrative Agent in connection with this Agreement or any other Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document or otherwise payable by the

Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph. Any amounts set off by the Administrative Agent pursuant to the preceding sentence shall, to the extent such amounts relate to any Loan Document, be treated as having been paid in accordance with, and for purposes of, such Loan Document.

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from, or reduction of, withholding Tax with respect to payments made under this Agreement or any other Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A), 2.17(f)(ii)(B) or 2.17(f)(ii)(D)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding Tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under this Agreement or any other Loan Document, executed originals of IRS Form W-8BEN

establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under this Agreement or any other Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit K-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a " U.S. Tax Compliance Certificate ") and (y) executed originals of IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit K-3 or Exhibit K-4 , IRS Form W-9 and/or another certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit K-2 on behalf of each such direct or indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from, or a reduction in, U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine withholding or deduction required to be made; and

(D) if a payment made to a Credit Party under this Agreement or any other Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Credit Party were to fail to comply with

the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Credit Party shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Credit Party has complied with such Credit Party's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) To the extent legally permissible, the Administrative Agent, in the event that the Administrative Agent is a U.S. Person, shall deliver an IRS Form W-9 to the Borrower and if the Administrative Agent is not a U.S. Person, the applicable IRS Form W-8 certifying its exemption from U.S. withholding Taxes with respect to amounts payable hereunder, on or prior to the date the Administrative Agent becomes a party to this Agreement.

Each Credit Party agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall promptly update such form or certification or notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts paid pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph, in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this paragraph the payment of which would place such indemnified party in a less favorable net after-Tax position than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under this Agreement and the other Loan Documents.

(i) The Borrower agrees that it will, to the extent required by applicable law, determine whether or not the Loans are traded on an established market and, if so, will also determine the fair market value of the Loans (which, in such case and for the avoidance of doubt, will be the issue price of the Loans), each within the meaning of Section 1.1273-2(f) of the United States Treasury Regulations. Any such determinations shall be made available to the Lenders as promptly as practicable, and in any case within 90 days, after the Effective Date in a commercially reasonable fashion.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Setoffs. (a) The Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 1:00 p.m., New York City time), on the date when due, in immediately available funds, without any defense, setoff, recoupment or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to such account or accounts as may be specified by the Administrative Agent, except that payments pursuant to Sections 2.15, 2.16 or 2.17 and 9.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payment received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under this Agreement or any other Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments under this Agreement and each other Loan Document shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) Except to the extent that this Agreement provides for payments to be disproportionately allocated to or retained by a particular Lender or group of Lenders (including in connection with the payment of interest or fees at different rates and the

repayment of principal amounts of Loans at different times as a result of Refinancing Facility Agreements pursuant to Section 2.22), each Lender agrees that if it shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall notify the Administrative Agent of such fact and shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the aggregate amount of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (for the avoidance of doubt, as in effect from time to time), including any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any Eligible Assignee, other than to the Borrower or any Subsidiary or other Affiliate thereof in a transaction that does not comply with the terms of Section 2.24 or Section 9.04(e) or (f), as applicable (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may (but shall not be obligated), in reliance upon such assumption and in its sole discretion, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.06(a) or (b), 2.17(e), 2.18(d) or 9.03 (c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender’s obligations in respect of such payment until all such unsatisfied obligations have been discharged and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding

obligations of such Lender under any such Section, in the case of each of clauses(i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.15, or if any Loan Party is required to pay any Indemnified Taxes or additional amounts to any Lender or to any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall (at the request of the Borrower) use commercially reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign and delegate its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment and delegation (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as applicable, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not be inconsistent with its internal policies or otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment and delegation.

(b) If (i) any Lender has requested compensation under Section 2.15 or (ii) the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04(c)), all its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or 2.17) and obligations under this Agreement and the other Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment and delegation); provided that (A) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and accrued interest thereon, accrued fees and all other amounts payable to it hereunder (including, if applicable, the prepayment fee pursuant to Section 2.11(h) (with such assignment being deemed to be an optional prepayment for purposes of determining the applicability of such Section)) (if applicable, in each case only to the extent such amounts relate to its interest as a Lender of a particular Class) from the assignee (in the case of such principal and accrued interest and fees (other than any fee payable pursuant to Section 2.11(h)) or the Borrower (in the case of all other amounts (including any fee payable pursuant to Section 2.11(h))), (B) the Borrower or such assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 9.04(b), (C) in the case of any such assignment and delegation resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a material reduction in such compensation or payments, and (D) such assignment does not conflict with applicable law. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver or consent by such Lender or otherwise (including as a result of any action taken by such Lender under paragraph (a) above), the circumstances entitling the Borrower to require such assignment and delegation have ceased to apply. Each party hereto agrees that an assignment and delegation required pursuant to this

paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Lender required to make such assignment and delegation need not be a party thereto.

SECTION 2.20. [Reserved]

SECTION 2.21. Incremental Facilities. (a) The Borrower may on one or more occasions, by written notice to the Administrative Agent, request the establishment of Incremental Term Commitments, provided that the sum of the cumulative aggregate original amount of all the Incremental Term Commitments established under this Section and aggregate original amount of all Alternative Incremental Facility Indebtedness incurred under Section 6.01(a)(xiii) shall not, on the date of effectiveness of any Incremental Term Commitments under this Section or the date of issuance of any such Alternative Incremental Facility Indebtedness, as the case may be, exceed the Maximum Incremental Amount in effect on such date. Each such notice shall specify (A) the date on which the Borrower proposes that the Incremental Term Commitments shall be effective, which shall be a date not less than 10 Business Days (or such shorter period as may be agreed to by the Administrative Agent) after the date on which such notice is delivered to the Administrative Agent and (B) the amount of the Incremental Term Commitments being requested (it being agreed that (x) any Lender approached to provide any Incremental Term Commitment may elect or decline, in its sole discretion, to provide such Incremental Term Commitment and (y) any Person that the Borrower proposes to become an Incremental Term Lender, if such Person is not then a Lender, must be an Eligible Assignee.

(b) The terms and conditions of any Incremental Term Facility and the Incremental Term Loans to be made thereunder shall be, except as otherwise set forth herein or in the applicable Incremental Facility Amendment, identical to those of the Effective Date Term Loans and related Commitments; provided that (i) the upfront fees, interest rates and amortization schedule applicable to any Incremental Term Facility and Incremental Term Loans shall be determined by the Borrower and the Incremental Term Lenders providing the relevant Incremental Term Commitments, (ii) except in the case of an Incremental Term Facility effected as an increase to an existing Class of Loans, the weighted average life to maturity of any Incremental Term Loans shall be no shorter than the remaining weighted average life to maturity of the Loans with the Latest Maturity Date, (iii) if the weighted average yield relating to any Incremental Term Loan exceeds the weighted average yield relating to the Effective Date Loans immediately prior to the effectiveness of the applicable Incremental Facility Amendment by more than 0.50% (to be determined by the Administrative Agent consistent with generally accepted financial practices, after giving effect to margins, upfront or similar fees, or original issue discount, in each case shared with all lenders or holders thereof and applicable interest rate floors (but only to the extent that an increase in the interest rate floor applicable to the Effective Date Loans would result in an increase in an interest rate then in effect for the Effective Date Loans hereunder)), then the Applicable Rate (A) relating to the Effective Date Loans shall be adjusted so that the weighted average yield relating to such Incremental Term Loans shall not exceed the weighted average yield relating to the Effective Date Loans by more than 0.50%; provided that any greater interest rate floor applicable to such

Incremental Term Facility will, if requiring an adjustment hereunder, be reflected as an increase to the interest rate floor applicable to the Effective Date Loans rather than being reflected in an adjustment to the Applicable Rate) and (iv) no Incremental Term Loan Maturity Date shall be earlier than the Latest Maturity Date. Any Incremental Term Commitments established pursuant to an Incremental Facility Amendment that have identical terms and conditions, and any Incremental Term Loans made thereunder, shall be designated as a separate series (each a " Series ") of Incremental Term Commitments and Incremental Term Loans for all purposes of this Agreement. Each Incremental Term Facility and all extensions of credit thereunder shall be secured by the Collateral on a pari passu basis with the other Obligations.

(c) The Incremental Term Commitments and Incremental Term Facilities relating thereto shall be effected pursuant to one or more Incremental Facility Amendments executed and delivered by Holdings, the Borrower, each Incremental Term Lender providing such Incremental Term Commitments and Incremental Term Facilities and the Administrative Agent; provided that no Incremental Term Commitments shall become effective unless (i) no Default or Event of Default shall have occurred and be continuing on the date of effectiveness thereof, both immediately prior to and immediately after giving effect to such Incremental Term Commitments and the making of Loans on such date, (ii) on the date of effectiveness thereof, the representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct (A) in the case of the representations and warranties qualified as to materiality, in all respects and (B) otherwise, in all material respects, in each case on and as of such date, except in the case of any such representation and warranty that expressly relates to a prior date, in which case such representation and warranty shall be so true and correct on and as of such prior date, (iii) the Borrower shall make any payments required to be made pursuant to Section 2.16 in connection with such Incremental Term Commitments and the related transactions under this Section and (iv) the Borrower shall have delivered to the Administrative Agent such customary legal opinions, board resolutions, secretary's certificates, officer's certificates and other documents in connection with any such transaction, including a certificate of a Financial Officer of the Borrower to the effect set forth in clauses (i) and (ii) above, together with reasonably detailed calculations demonstrating compliance with Section 2.21(a) above. Each Incremental Facility Amendment may, without the consent of any Lender, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate to give effect to the provisions of this Section, provided that to the extent that any term of any such amendment could not be approved as an amendment of this Agreement by the Lenders providing such Incremental Term Commitments voting a single Series without the approval of any other Lender, such amendment will be subject to the approval of the requisite Lenders required under this Agreement.

(d) Upon the effectiveness of an Incremental Term Commitment of any Incremental Term Lender, such Incremental Term Lender shall be deemed to be a "Lender" (and a Lender in respect of Commitments and Loans of the applicable Class) hereunder, and henceforth shall be entitled to all the rights of, and benefits accruing to, Lenders (or Lenders in respect of Commitments and Loans of the applicable Class) hereunder and shall be bound by all agreements, acknowledgements and other obligations

of Lenders (or Lenders in respect of Commitments and Loans of the applicable Class) hereunder and under the other Loan Documents.

(e) Subject to the terms and conditions set forth herein and in the applicable Incremental Facility Amendment, each Lender holding an Incremental Term Commitment of any Series shall make a loan to the Borrower in an amount equal to such Incremental Term Commitment on the date specified in such Incremental Facility Amendment.

(f) The Administrative Agent shall notify the Lenders promptly upon receipt by the Administrative Agent of any notice from the Borrower referred to in Section 2.21(a) and of the effectiveness of any Incremental Term Commitments, in each case advising the Lenders of the details thereof.

SECTION 2.22. Refinancing Facilities. (a) The Borrower may, on one or more occasions, by written notice to the Administrative Agent, request the establishment hereunder of one or more additional Classes of term loan commitments (the " Refinancing Term Loan Commitments ") pursuant to which each Person providing such a commitment (a " Refinancing Term Lender ") will make term loans to the Borrower (the " Refinancing Term Loans "); provided that each Refinancing Term Lender shall be an Eligible Assignee.

(b) The Refinancing Term Loan Commitments shall be effected pursuant to one or more Refinancing Facility Agreements executed and delivered by Holdings, the Borrower, each Refinancing Lender providing such Refinancing Term Loan Commitments and the Administrative Agent; provided that no Refinancing Term Loan Commitments shall become effective unless (i) no Default shall have occurred and be continuing on the date of effectiveness thereof, (ii) on the date of effectiveness thereof, the representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct (A) in the case of the representations and warranties qualified as to materiality, in all respects and (B) otherwise, in all material respects, in each case on and as of such date, except in the case of any such representation and warranty that specifically relates to an earlier date, in which case such representation and warranty shall be so true and correct on and as of such earlier date, (iii) Holdings and the Borrower shall have delivered to the Administrative Agent such customary legal opinions, board resolutions, secretary's certificates, officer's certificates and other documents in connection with any such transaction and (iv) substantially concurrently with the effectiveness thereof, the Borrower shall obtain Refinancing Term Loans thereunder and shall repay or prepay then outstanding Borrowings of one or more Classes in an aggregate principal amount equal to the aggregate amount of such Refinancing Term Loan Commitments (less the aggregate amount of accrued and unpaid interest with respect to such outstanding Borrowings and any reasonable fees, premium and expenses relating to such refinancing). The Borrower shall determine the amount of such prepayments allocated to each Class of outstanding Loans.

(c) The Refinancing Facility Agreement shall set forth, with respect to the Refinancing Term Loan Commitments established thereby and the Refinancing Term

Loans and other extensions of credit to be made thereunder, to the extent applicable, the following terms thereof: (i) the designation of such Refinancing Term Loan Commitments and Refinancing Term Loans as a new "Class" for all purposes hereof, (ii) the stated termination and maturity dates applicable to the Refinancing Term Loan Commitments or Refinancing Term Loans of such Class; provided that such stated termination and maturity dates shall not be earlier than the Maturity Date applicable to the Class of Loans so refinanced, (iii) any amortization applicable thereto and the effect thereon of any prepayment of such Refinancing Term Loans, (iv) the interest rate or rates applicable to the Refinancing Term Loans of such Class, (v) the fees applicable to the Refinancing Term Loan Commitments or Refinancing Term Loans of such Class, (vi) any original issue discount applicable thereto, (vii) the initial Interest Period or Interest Periods applicable to Refinancing Term Loans of such Class, (viii) any voluntary or mandatory commitment reduction or prepayment requirements applicable to Refinancing Term Loan Commitments or Refinancing Term Loans of such Class (which prepayment requirements may provide that such Refinancing Term Loans may participate in any mandatory prepayment on a pro rata basis with any Class of existing Loans, but may not provide for prepayment requirements that are more favorable to the Lenders holding such Refinancing Term Loans than to the Lenders holding such Class of Loans) and any restrictions on the voluntary or mandatory reductions or prepayments of Refinancing Term Loan Commitments or Refinancing Term Loans of such Class, and (ix) any financial covenant with which Holdings and the Borrower shall be required to comply, provided that any such financial covenant shall be for the benefit of all Lenders. Except as contemplated by the preceding sentence, the terms of the Refinancing Term Loan Commitments and Refinancing Term Loans shall be substantially the same as the terms of the existing Commitments and the existing Loans. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Refinancing Facility Agreement. Each Refinancing Facility Agreement may, without the consent of any Lender other than the applicable Refinancing Term Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate to give effect to the provisions of this Section, including any amendments necessary to treat the applicable Refinancing Term Loan Commitments and Refinancing Term Loans as a new "Class" of Loans and/or Commitments hereunder.

SECTION 2.23. Loan Modification Offers. (a) The Borrower may on one or more occasions, by written notice to the Administrative Agent, make one or more offers (each, a " Loan Modification Offer ") to all (and not fewer than all) the Lenders of one or more Classes (each Class subject to such an Loan Modification Offer, an " Affected Class ") to make one or more Permitted Amendments pursuant to procedures reasonably specified by the Administrative Agent and reasonably acceptable to the Borrower. Such notice shall set forth (i) the terms and conditions of the requested Loan Modification Offer and (ii) the date on which such Loan Modification Offer is requested to become effective (which shall not be less than ten Business Days nor more than 60 Business Days after the date of such notice, unless otherwise agreed to by the Administrative Agent). Permitted Amendments shall become effective only with respect to the Loans and Commitments of the Lenders of the Affected Class that accept the applicable Loan Modification Offer (such Lenders, the " Accepting Lenders ") and, in the case of any Accepting Lender, only with respect to such Lender's Loans and

Commitments of the Affected Class as to which such Lender's acceptance has been made. With respect to all Permitted Amendments consummated by the Borrower pursuant to this Section, (i) such Permitted Amendments shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 2.11 and (ii) any Loan Modification Offer, unless contemplating a Maturity Date already in effect hereunder pursuant to a previously consummated Permitted Amendment, must be in a minimum amount of $25,000,000 (or such lesser amount as may be approved by the Administrative Agent in its reasonable discretion), provided that the Borrower may at its election specify as a condition (a " Minimum Extension Condition ") to consummating any such Permitted Amendment that a minimum amount (to be determined and specified in the relevant Loan Modification Offer in the Borrower's sole discretion and which may be waived by the Borrower) of Commitments or Loans of any or all Affected Classes be extended. If the aggregate principal amount of Commitments or Loans of any Affected Class in respect of which Lenders shall have accepted the relevant Loan Modification Offer shall exceed the maximum aggregate principal amount of Commitments or Loans of such Affected Class offered to be extended by the Borrower pursuant to such Loan Modification Offer, then the Commitments and Loans of such Lenders shall be extended ratably up to such maximum amount based on the relative principal amounts (but not to exceed actual holdings of record) with respect to which such Lenders have accepted such Loan Modification Offer.

(b) A Permitted Amendment shall be effected pursuant to a Loan Modification Agreement executed and delivered by Holdings, the Borrower, each Accepting Lender and the Administrative Agent; provided that no Permitted Amendment shall become effective unless (i) no Default shall have occurred and be continuing on the date of effectiveness thereof, (ii) on the date of effectiveness thereof, the representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct (A) in the case of the representations and warranties qualified as to materiality, in all respects and (B) otherwise, in all material respects, in each case on and as of such date, except in the case of any such representation and warranty that specifically relates to an earlier date, in which case such representation and warranty shall be so true and correct on and as of such earlier date, (iii) Holdings and the Borrower shall have delivered, or agreed to deliver by a date following the effectiveness of such Permitted Amendment reasonably acceptable to the Administrative Agent, to the Administrative Agent such customary legal opinions, board resolutions, secretary's certificates, officer's certificates and other documents (including reaffirmation agreements, supplements and/or amendments to Mortgages or other Security Documents, in each case to the extent applicable) in connection therewith and (iv) any applicable Minimum Extension Condition shall be satisfied (unless waived by the Borrower). The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Loan Modification Agreement. Each Loan Modification Agreement may, without the consent of any Lender other than the applicable Accepting Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate to give effect to the provisions of this Section, including any amendments necessary to treat the applicable Loans and/or Commitments of the Accepting Lenders as a new Class of loans and/or commitments hereunder (and the Lenders hereby irrevocably authorize the Administrative Agent to enter into any such amendments); provided that all prepayments

of Loans shall continue to be made on a ratable basis among all Lenders, based on the relative amounts of their Loans (i.e. , both extended and non-extended), until the repayment of the Loans on the relevant Maturity Date. The Administrative Agent and the Lenders hereby acknowledge that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement are not intended to apply to the transactions effected pursuant to this Section 2.23. This Section 2.23 shall supersede any provisions in Section 2.18 or Section 9.02 to the contrary.

SECTION 2.24. Loan Repurchases . (a) Subject to the terms and conditions set forth or referred to below, a Purchasing Borrower Party may from time to time, in its discretion (x) effect open market purchases of Loans on a non-pro rata basis and (y) conduct modified Dutch auctions to make Auction Purchase Offers, each such Auction Purchase Offer to be managed by an investment bank of recognized standing selected by the Borrower (in such capacity, the " Auction Manager ") and to be conducted in accordance with the procedures, terms and conditions set forth in this Section and the Auction Procedures, in each case, so long as the following conditions are satisfied:

(i) no Default or Event of Default shall have occurred and be continuing at the time of purchase of any Loans or, in the case of clause (y) above, on the date of the delivery of each Auction Notice;

(ii) the assigning Lender and the Purchasing Borrower Party shall execute and deliver to the Administrative Agent an Affiliated Assignment and Assumption in lieu of an Assignment and Assumption;

(iii) the maximum principal amount (calculated on the face amount thereof) of Loans that the Purchasing Borrower Party offers to purchase in any Auction Purchase Offer shall be no less than $10,000,000 (unless another amount is agreed to by the Administrative Agent in its reasonable discretion);

(iv) any Loans assigned to any Purchasing Borrower Party shall be automatically and permanently cancelled upon the effectiveness of such assignment and will thereafter no longer be outstanding for any purpose hereunder, and such Loans may not be resold (it being understood and agreed that (A) any gains or losses by any Purchasing Borrower Party upon purchase or acquisition and cancellation of such Loans shall not be taken into account in the calculation of Excess Cash Flow, Consolidated Net Income and Consolidated EBITDA and (B) any assignment of Loans pursuant to this Section shall not constitute a voluntary or mandatory prepayment of Loans for purposes of this Agreement);

(v) if the Loans are rated by S&P and/or Moody's at the time of any Auction Purchase Offer, prior to commencing such Auction Purchase Offer, the Borrower shall have discussed such proposed Auction Purchase Offer with each (or both, as applicable) of S&P and Moody's and, based upon such discussions, shall reasonably believe that the proposed purchase of Loans through such Auction Purchase Offer shall not be deemed to be a "distressed exchange";

(vi) if the Loans are rated by S&P and/or Moody's at the time of any Auction Purchase Offer, at the time of each purchase of Loans pursuant to such Auction Purchase Offer, neither S&P nor Moody's shall have announced or communicated to the Borrower that the proposed purchase of Loans through such Auction Purchase Offer shall be deemed to be a "distressed exchange";

(vii) no more than one Auction Purchase Offer with respect to any Class may be ongoing at any one time and no more than four Auction Purchase Offers (regardless of Class) may be made in any one year;

(viii) any Purchasing Borrower Party shall not have at the time of such assignment (and shall represent and warrant at the time of such assignment that it does not have) any MNPI that either (A) has not been disclosed to the assigning Lender (other than any such Lender that does not wish to receive MNPI) on or prior to the date of any assignment to such Purchasing Borrower Party or (B) if not disclosed to such Lender, could reasonably be expected to have a material effect upon, or otherwise be material to, (1) such Lender's decision to make such assignment or (2) the market price of the Loans to be assigned to such Purchasing Borrower Party;

(ix) at the time of each purchase of Loans through an Auction Purchase Offer, the Borrower shall have delivered to the Auction Manager an officer's certificate of a Financial Officer of the Borrower certifying as to compliance with preceding clauses (i), (iv), (v), (vi) and (viii);

(x) no Purchasing Borrower Party may use the proceeds, direct or indirect, from revolving loans incurred under the First Lien Credit Agreement to purchase any Loans; and

(xi) the aggregate principal amount of Loans of any Class purchased by any Purchasing Borrower Party in open market purchases pursuant to this Section, when taken together with the aggregate principal amount of Loans of such Class purchased by or assigned to Purchasing Debt Affiliates (other than Debt Fund Affiliates) pursuant to Section 9.04(f), shall not in any event exceed 25% of the initial aggregate principal amount of Loans of such Class (plus , in the event of a subsequent increase in the principal amount of Loans of such Class pursuant to an Incremental Term Facility, 25% of the initial amount of such increase on the date of consummation of such Incremental Term Facility) (it being understood that such 25% limitation will be calculated based on such initial principal amounts and the cumulative principal amounts so purchased, regardless of any cancellation of any Loans purchased (including pursuant to Auction Purchase Offers) or any repayment or prepayment of Loans).

(b) A Purchasing Borrower Party must terminate any Auction Purchase Offer if it fails to satisfy one or more of the conditions set forth above which are required to be met at the time which otherwise would have been the time of purchase of Loans pursuant to such Auction Purchase Offer. If a Purchasing Borrower Party commences

any Auction Purchase Offer (and all relevant requirements set forth above which are required to be satisfied at the time of the commencement of such Auction Purchase Offer have in fact been satisfied), and if at such time of commencement the Purchasing Borrower Party reasonably believes that all required conditions set forth above which are required to be satisfied at the time of the consummation of such Auction Purchase Offer shall be satisfied, then the Purchasing Borrower Party shall have no liability to any Lender for any termination of such Auction Purchase Offer as a result of the failure to satisfy one or more of the conditions set forth above which are required to be met at the time which otherwise would have been the time of consummation of such Auction Purchase Offer, and any such failure shall not result in any Default or Event of Default hereunder. With respect to all purchases of Loans of any Class or Classes made by a Purchasing Borrower Party pursuant to this Section, (x) the Purchasing Borrower Party shall pay on the settlement date of each such purchase all accrued and unpaid interest (except to the extent otherwise set forth in the relevant offering documents), if any, on the purchased Loans of the applicable Class or Classes up to the settlement date of such purchase and (y) such purchases (and the payments made by the Purchasing Borrower Party and the cancellation of the purchased Loans) shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 2.11 or any other provision hereof.

(c) The Administrative Agent and the Lenders hereby consent to the Auction Purchase Offers and the other transactions effected pursuant to and in accordance with the terms of this Section (provided that no Lender shall have an obligation to participate in any such Auction Purchase Offer). For the avoidance of doubt, it is understood and agreed that the provisions of Section 2.18 will not apply to the purchases of Loans pursuant to and in accordance with the provisions of this Section. The Auction Manager acting in its capacity as such hereunder shall be entitled to the benefits of the provisions of Article VIII and Article IX to the same extent as if each reference therein to the "Administrative Agent" were a reference to the Auction Manager, and the Administrative Agent shall cooperate with the Auction Manager as reasonably requested by the Auction Manager in order to enable it to perform its responsibilities and duties in connection with each Auction Purchase Offer.

ARTICLE III

Representations and Warranties

Each of Holdings and the Borrower represents and warrants to the Administrative Agent and each of the Lenders that:

SECTION 3.01. Organization; Powers. Each of Holdings, the Borrower and each Subsidiary (a) is duly organized, validly existing and, to the extent that such concept is applicable in the relevant jurisdiction, in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority, and the legal right, to carry on its business as now conducted and as proposed to be conducted, to execute, deliver and perform its obligations under this Agreement and each other Loan Document and each other agreement or instrument contemplated thereby to which it is a

party and to effect the Transactions and (c) except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and, to the extent that such concept is applicable in the relevant jurisdiction, is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Due Execution and Delivery; Enforceability. The Transactions to be entered into by each Loan Party have been duly authorized by all necessary corporate or other organizational action and, if required, action by the holders of such Loan Party's Equity Interests. This Agreement has been duly executed and delivered by each of Holdings and the Borrower and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of Holdings, the Borrower or such Loan Party, as applicable, enforceable against such Person in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except filings necessary to perfect Liens created under the Loan Documents, (b) will not violate any Requirement of Law applicable to Holdings, the Borrower or any Subsidiary, (c) will not violate or result (alone or with notice or lapse of time or both) in a default under any indenture or agreement governing Indebtedness, any material agreement or any other material instrument binding upon Holdings, the Borrower or any Subsidiary or their respective assets, or give rise to a right thereunder to require any payment, repurchase or redemption to be made by Holdings, the Borrower or any Subsidiary or give rise to a right of, or result in, termination, cancelation or acceleration of any obligation thereunder and (d) will not result in the creation or imposition of any Lien on any asset now owned or hereafter acquired by Holdings, the Borrower or any Subsidiary, except Liens created under the Loan Documents and the First Lien Security Documents.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Borrower has heretofore furnished to the Lenders (i) the consolidated balance sheet of Holdings as of December 31, 2012, and the related consolidated statements of operations and income, stockholders' equity and cash flows of Holdings for the fiscal year ended December 31, 2012, in each case audited by and accompanied by an opinion of Ernst & Young LLP, independent public accountants (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) and (ii) an unaudited consolidated balance sheet of Holdings as at the end of, and related statements of income and cash flows of Holdings for the fiscal quarter and the portion of the fiscal year ended June 30, 2013 (and comparable period for the prior fiscal year), certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash

flows of Holdings, the Borrower and the Subsidiaries on a consolidated basis as of such dates and for such periods in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of certain footnotes in the case of the statements referred to in clause (ii) above.

(b) The Borrower has heretofore furnished to the Lenders a pro forma consolidated balance sheet of Holdings as at the end of June 30, 2013, prepared giving effect to the Transactions to be consummated on the Effective Date as if such Transactions had occurred on such date or at the beginning of such period, as the case may be. Such pro forma financial statements (i) have been prepared by the Borrower in good faith based on the same assumptions used to prepare the pro forma financial statements included in the Confidential Information Memorandum (which assumptions are believed by Holdings and the Borrower on the date hereof to be reasonable), (ii) are based on the best information available to Holdings and the Borrower as of the date of delivery thereof after due inquiry, (iii) accurately reflect all adjustments necessary to give effect to the Transactions and (iv) present fairly, in all material respects, the pro forma financial position of Holdings, the Borrower and the Subsidiaries as of such date, as if the Transactions had occurred on such date.

(c) To the knowledge of the Borrower and Holdings, except as disclosed in the financial statements referred to above or the notes thereto or in the Confidential Information Memorandum, after giving effect to the Transactions, none of Holdings, the Borrower or any Subsidiary has, as of the Effective Date, any material direct or contingent liabilities, unusual long-term commitments or unrealized losses.

(d) Since December 31, 2012, there has been no event or condition that has resulted, or could reasonably be expected to result, in a Material Adverse Effect.

SECTION 3.05. Properties. (a) Each of Holdings, the Borrower and each Subsidiary has good title to, or valid leasehold interests in, all its real and personal property material to its business (including Mortgaged Properties, if any), except for minor defects in title that could not reasonably be expected to materially interfere with its ability to conduct its business as currently conducted or as proposed to be conducted or to utilize such properties for their intended purposes. All such property is free and clear of Liens, other than Liens expressly permitted by Section 6.02.

(b) Each of Holdings, the Borrower and each Subsidiary owns, or is licensed to use, all trademarks, tradenames, copyrights, patents, licenses, technology, software, domain names and other Intellectual Property material to its business as currently conducted and as proposed to be conducted, and the use thereof by Holdings, the Borrower and each Subsidiary does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No claim or litigation regarding any trademarks, tradenames, copyrights, patents, licenses, technology, software, domain names or other Intellectual Property owned or used by Holdings, the Borrower or any Subsidiary is pending or, to the knowledge of Holdings, the Borrower or any Subsidiary, threatened against Holdings, the Borrower or any Subsidiary that,

individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation and Environmental Matters. (a) There are no actions, suits, investigations or proceedings at law or in equity or by or before any arbitrator or Governmental Authority pending against or, to the knowledge of Holdings, the Borrower or any Subsidiary, threatened in writing against or affecting Holdings, the Borrower or any Subsidiary (i) that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, (other than the Disclosed Matters set forth in Schedule 3.06 of the Disclosure Letter) or (ii) that involve any of the Loan Documents or the Transactions.

(b) Except for the Disclosed Matters set forth in Schedule 3.06 of the Disclosure Letter and except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, none of Holdings, the Borrower or any Subsidiary (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

SECTION 3.07. Compliance with Laws and Agreements; No Default. Each of Holdings, the Borrower and each Subsidiary is in compliance with (a) all Requirements of Law and (b) all indentures, agreements and other instruments binding upon it or its property, except, in the case of clause (b) of this Section, where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.08. Investment Company Status; Other Regulations. None of Holdings, the Borrower or any Subsidiary is an "investment company" as defined in, or subject to regulation under, the Investment Company Act. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board of Governors) that limits its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable.

SECTION 3.09. Federal Reserve Regulations. None of Holdings, the Borrower or any Subsidiary is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors) or extending credit for the purpose of purchasing or carrying margin stock. No part of the proceeds of the Loans will be used, directly or indirectly, for any purpose that entails a violation (including on the part of any Lender) of any of the regulations of the Board of Governors, including Regulations U and X. Not more than 25% of the value of the assets of Holdings, the Borrower and the Subsidiaries subject to any restrictions on the sale, pledge or other disposition of assets under this Agreement, any other Loan Document or any other agreement to which any Lender or Affiliate of a Lender is party will at any time be

represented by margin stock (within the meaning of Regulation U of the Board of Governors).

SECTION 3.10. Taxes. Each of Holdings, the Borrower and each Subsidiary (a) has timely filed or caused to be filed all Tax returns and reports required to have been filed by it, except to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Effect, and (b) has paid or caused to be paid all Taxes required to have been paid by it, except where the validity or amount thereof is being contested in good faith by appropriate proceedings; provided that (i) Holdings, the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves therefor in conformity with GAAP and (ii) the failure to pay such Taxes, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. ERISA. (a) The Borrower, each of its ERISA Affiliates, and each Subsidiary is in compliance with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder with respect to each Plan, except as could not reasonably be expected to result in a Material Adverse Effect. No ERISA Events have occurred or are reasonably expected to occur that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The present value of all benefit liabilities under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards Nos. 87 and 158, as applicable) did not, as of the last annual valuation date applicable thereto, exceed the fair market value of the assets of such Plan, and the present value of all benefit liabilities of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards Nos. 87 and 158, as applicable) did not, as of the last annual valuation dates applicable thereto, exceed the fair market value of the assets of all such underfunded Plans except in each such case where such underfunding could not reasonably be expected to have a Material Adverse Effect.

(b) Each Foreign Pension Plan is in compliance with all requirements of law applicable thereto and the respective requirements of the governing documents for such plan, except as could not reasonably be expected to result in a Material Adverse Effect. With respect to each Foreign Pension Plan, none of Holdings, the Borrower or any Subsidiary or any of their respective directors, officers, employees or agents has engaged in a transaction which would subject Holdings, the Borrower or any Subsidiary, directly or indirectly, to a tax or civil penalty which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. With respect to each Foreign Pension Plan, reserves have been established in the financial statements in respect of any unfunded liabilities in accordance with applicable law or, where required, in accordance with ordinary accounting practices in the jurisdiction in which such Foreign Pension Plan is maintained. The aggregate unfunded liabilities with respect to such Foreign Pension Plans could not reasonably be expected to result in a Material Adverse Effect; the present value of the aggregate accumulated benefit liabilities of all such Foreign Pension Plans (based on those assumptions used to fund each such Foreign Pension Plan) did not, as of the last annual valuation date applicable thereto, exceed the fair market value of the assets of all such Foreign Pension Plans except in such case

where the underfunding could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.12. Labor Matters. Except as in the aggregate as could not reasonably be expected to have a Material Adverse Effect, (i) there are no strikes, lockouts or slowdowns or any other material labor disputes against Holdings, the Borrower or any Subsidiary pending or, to the knowledge of Holdings, the Borrower or any Subsidiary, threatened, (ii) the hours worked by and payments made to employees of each of Holdings, the Borrower and each Subsidiary have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters, (iii) all payments due from Holdings, the Borrower or any Subsidiary, or for which any claim may be made against Holdings, the Borrower or any Subsidiary, on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Holdings, the Borrower or such Subsidiary and (iv) the consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which Holdings, the Borrower or any Subsidiary is bound.

SECTION 3.13. Disclosure. Neither the Confidential Information Memorandum nor any of the other reports, financial statements, certificates or other information furnished by or on behalf of Holdings, the Borrower or any Subsidiary to any Arranger, the Administrative Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document, included herein or therein or furnished hereunder or thereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to forecasts and projected financial information, each of Holdings and the Borrower represents only that such information was prepared in good faith based upon assumptions believed by it to be reasonable at the time so furnished and, if such projected financial information was furnished prior to the Effective Date, as of the Effective Date (it being understood and agreed that any such projected financial information may vary from actual results and that such variations may be material).

SECTION 3.14. Subsidiaries. Schedule 3.14 to the Disclosure Letter sets forth the name of, and the ownership interest of Holdings, the Borrower and each Subsidiary in, each Subsidiary and each class of Equity Interest of each Subsidiary and identifies each Subsidiary that is a Subsidiary Loan Party or an Excluded Subsidiary, in each case as of the Effective Date. The Equity Interests in the Borrower and each Subsidiary have been duly authorized and validly issued and are fully paid and nonassessable, and such Equity Interests are owned by Holdings or the Borrower, directly or indirectly, free and clear of all Liens (other than Liens created under the Loan Documents and the First Lien Security Documents). Except as set forth in Schedule 3.14 to the Disclosure Letter, as of the Effective Date, there is no existing option, warrant, call, right, commitment or other agreement to which Holdings, the Borrower or any Subsidiary is a party requiring, and there are no Equity Interests in any Subsidiary outstanding that upon exercise, conversion or exchange would require, the issuance by the Borrower or

any Subsidiary of any additional Equity Interests or other securities exercisable for, convertible into, exchangeable for or evidencing the right to subscribed for or purchase any Equity Interests in the Borrower or any Subsidiary.

SECTION 3.15. Insurance. Schedule 3.15 to the Disclosure Letter sets forth a complete and correct description of all insurance maintained by or on behalf of Holdings, the Borrower or any Subsidiary as of the Effective Date. As of the Effective Date, such insurance is in full force and effect and all premiums in respect of such insurance have been paid. Holdings and the Borrower believe that the insurance maintained by or on behalf of Holdings, the Borrower and the Subsidiaries is in such amounts (with no greater risk retention) and against such risks as is (a) customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) adequate.

SECTION 3.16. Solvency. Immediately after the consummation of the Transactions to occur on the Effective Date, and giving effect to the rights of subrogation and contribution under the Collateral Agreement or otherwise, (a) the fair value of the assets of Holdings and the Subsidiaries, taken as a whole, will exceed their debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the assets of Holdings and the Subsidiaries, taken as a whole, will be greater than the amount that will be required to pay the probable liability on their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) Holdings and the Subsidiaries, taken as a whole, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured and (d) Holdings and the Subsidiaries, taken as a whole, will not have unreasonably small capital with which to conduct the business in which they are engaged, as such business is conducted at the time of and is proposed to be conducted following the Effective Date. For purposes of this Section, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual or matured liability.

SECTION 3.17. Collateral Matters. (a) The Collateral Agreement, upon execution and delivery thereof by the parties thereto, will create in favor of the Administrative Agent, for the benefit of the Secured Parties, a valid and enforceable security interest in the Collateral (as defined therein) and (i) when the Collateral (as defined therein) constituting certificated securities (as defined in the Uniform Commercial Code) is delivered to the Administrative Agent, together with instruments of transfer duly endorsed in blank, the security interest created under the Collateral Agreement will constitute a fully perfected security interest in all right, title and interest of the pledgors thereunder in such Collateral, prior and superior in right to any other Person (other than Liens securing the payment of obligations under the First Lien Credit Agreement and Other First Lien Secured Indebtedness and Permitted Encumbrances that by operation of law or contract would have priority over the Obligations), and (ii) when financing statements in appropriate form are filed in the applicable filing offices, the security interest created under the Collateral Agreement will constitute a fully perfected security interest in all right, title and interest of the Loan Parties in the remaining Collateral (as defined therein) to the extent perfection can be obtained by filing Uniform

Commercial Code financing statements, prior and superior to the rights of any other Person (other than Liens permitted under Section 6.02 that by operation of law or contract would have priority over the Obligations).

(b) Each Mortgage, upon execution and delivery thereof by the parties thereto, will create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in all the applicable mortgagor's right, title and interest in and to the Mortgaged Properties subject thereto and the proceeds thereof, and when the Mortgages have been filed in the jurisdictions specified therein, the Mortgages will constitute a fully perfected security interest in all right, title and interest of the mortgagors in the Mortgaged Properties and the proceeds thereof, prior and superior in right to any other Person, other than Liens securing the payment of obligations under the First Lien Credit Agreement and Other First Lien Secured Indebtedness and Permitted Encumbrances that by operation of law or contract would have priority over the Obligations.

(c) Upon the recordation of the Collateral Agreement (or a short-form security agreement in form and substance as may be necessary to perfect the interest of the Administrative Agent) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, and the filing of the financing statements referred to in paragraph (a) of this Section, the security interest created under the Collateral Agreement will constitute a fully perfected security interest in all right, title and interest of the Loan Parties in the Intellectual Property (as defined in the Collateral Agreement) in which a security interest may be perfected by filing in the United States of America, in each case prior and superior in right to any other Person, other than Liens securing the payment of obligations under the First Lien Credit Agreement and Other First Lien Secured Indebtedness and Permitted Encumbrances that by operation of law or contract would have priority over the Obligations (it being understood and agreed that subsequent recordings in the United States Patent and Trademark Office or the United States Copyright Office may be necessary to perfect a security interest in such Intellectual Property acquired by the Loan Parties after the Effective Date).

(d) Each Security Document, upon execution and delivery thereof by the parties thereto and the making of the filings and taking of the other actions provided for therein, will be effective under applicable law to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a valid and enforceable security interest in the Collateral subject thereto, and will constitute a fully perfected security interest in all right, title and interest of the Loan Parties in the Collateral subject thereto, prior and superior to the rights of any other Person, except for rights secured by Liens permitted under Section 6.02 that by operation of law or contract would have priority over the Obligations.

SECTION 3.18. Anti-Terrorism Laws; Anti-Corruption Laws. Holdings and the Borrower have implemented and maintain in effect policies and procedures designed to ensure compliance by Holdings, the Borrower, the Subsidiaries and their directors, officers, employees and agents with applicable Anti-Corruption Laws and Sanctions, and the Borrower and its Subsidiaries are in compliance with applicable Anti-

Corruption Laws and Sanctions in all material respects. None of (a) the Borrower or any Subsidiary or (b) to the knowledge of the Borrower, (i) any director, officer or employee of the Borrower or any Subsidiary or (ii) any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person or in violation of any Sanctions. The Transactions will not violate any applicable Anti-Corruption Laws or Sanctions.

SECTION 3.19. Classification as Senior Indebtedness. The Loan Document Obligations constitute "senior indebtedness" and "designated senior indebtedness" under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding and all such other designations have been given as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include facsimile transmission or other electronic imaging of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders) of (i) Cooley LLP, special counsel for the Loan Parties and (ii) Trenam, Kemker, Scharf, Barkin, Frye, O'Neill & Mullis, Professional Association, special Florida counsel for the Loan Parties, in each case dated as of the Effective Date, each in the forms previously provided to the Administrative Agent. Each of Holdings and the Borrower hereby requests such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates relating to the organization, existence and good standing in the jurisdiction of incorporation or formation of each Loan Party, the authorization of the Transactions and any other legal matters relating to the Loan Parties, the Loan Documents or the Transactions, all in the forms previously provided to the Administrative Agent.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by a Financial Officer or the President or a Vice

President of the Borrower, confirming compliance as of the Effective Date with the conditions set forth in paragraphs (i), (p) and (q) of this Section.

(e) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses (including fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party hereunder, under any other Loan Document or under any other agreement entered into by any of the Arrangers, the Administrative Agent and the Lenders, on the one hand, and any of the Loan Parties, on the other hand.

(f) The Collateral and Guarantee Requirement shall have been satisfied, and the Administrative Agent, on behalf of the Secured Parties, shall have a security interest in the Collateral of the type and priority described in each Security Document. The Administrative Agent shall have received a completed Perfection Certificate dated the Effective Date and signed by a Financial Officer or legal officer of each of Holdings and the Borrower, together with all attachments contemplated thereby, including the results of a search of the Uniform Commercial Code (or equivalent) filings made with respect to the Loan Parties in the jurisdictions contemplated by the Perfection Certificate and copies of the financing statements (or similar documents) disclosed by such search and the Liens indicated by such financing statements (or similar documents) are permitted by Section 6.02 or have been or will contemporaneously with the initial funding of Loans on the Effective Date be released or terminated.

(g) The Administrative Agent shall have received evidence that the insurance required by Section 5.07 and the Security Documents is in effect.

(h) All consents and approvals required to be obtained from any Governmental Authority or other Person in connection with the Transactions shall have been obtained, and all applicable waiting periods and appeal periods (including any extensions thereof) shall have expired and there shall be no actual or threatened litigation or governmental, administrative or judicial action that could reasonably be expected to restrain, prevent or impose burdensome conditions on the Transactions.

(i) The Borrower shall have received, or substantially contemporaneously with the initial funding of the Loans on the Effective Date shall receive, cash proceeds of not less than $630,000,000 from borrowings of the term loans under the First Lien Credit Agreement.

(j) Prior to or substantially concurrently with the initial funding of the Loans on the Effective Date, (i) all commitments under the Existing Credit Agreements shall have been terminated, (ii) all loans, interest, fees, expense reimbursements and other amounts accrued or owing thereunder shall have been repaid in full with the proceeds of the Loans and the funds referred to in paragraph (i) above, and (iii) all guarantees and Liens granted in respect thereof

shall have been released. The Administrative Agent shall have received payoff and release letters with respect to the Existing Credit Agreements and obligations and Liens relating thereto, in the form previously provided to the Administrative Agent, and the conditions to effectiveness of such letters shall have been satisfied. Immediately after giving effect to the Transactions on the Effective Date, none of Holdings, the Borrower or any Subsidiary shall have outstanding any shares of preferred stock or Disqualified Equity Interests or any Indebtedness, other than (i) Indebtedness incurred under the Loan Documents, (ii) Indebtedness of the Borrower under the First Lien Credit Agreement and (iii) other ordinary course Indebtedness permitted by Section 6.01(a).

(k) The First Lien/Second Lien Intercreditor Agreement shall have been executed and delivered by the parties thereto and shall be in full force and effect.

(l) The Administrative Agent shall have received a certificate from the chief financial officer of Holdings, substantially in the form of Exhibit J, certifying as to the solvency of Holdings, the Borrower and the Subsidiaries on a consolidated basis after giving effect to the Transactions consummated on the Effective Date.

(m) The credit facilities under this Agreement shall have been rated by each of S&P and Moody's, and the Borrower shall have received a public corporate credit rating from S&P and a public corporate family rating from Moody's, in each case after giving effect to the Transactions and the transactions contemplated by the First Lien Credit Agreement.

(n) The Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

(o) The Borrower shall have delivered to the Administrative Agent the notice required by Section 2.03.

(p) The representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects (or, in the case of representations and warranties qualified as to materiality, in all respects).

(q) At the time of and immediately after giving effect to such Borrowing, no Default shall have occurred and be continuing.

Notwithstanding the foregoing, any Foreign Pledge Agreement or Control Agreement that is required to be delivered in order to satisfy the requirements of the Collateral and Guarantee Requirement shall not be a condition precedent to the obligations of the Lenders hereunder on the Effective Date, but shall be required to be accomplished as provided in Section 5.15.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 5:00 p.m., New York City time, on August 20, 2013 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

ARTICLE V

Affirmative Covenants

Until the Commitments shall have expired or been terminated and the principal of and interest on each Loan and all fees, expenses and other amounts (other than contingent amounts not yet due) payable under this Agreement or any other Loan Document shall have been paid in full, each of Holdings and the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. Holdings and the Borrower will furnish to the Administrative Agent, on behalf of each Lender, the following:

(a) within 120 days after the end of each fiscal year of Holdings (or, so long as Holdings shall be subject to periodic reporting obligations under the Exchange Act, by the date that the Annual Report on Form 10-K of Holdings for such fiscal year would be required to be filed under the rules and regulations of the SEC, giving effect to any automatic extension available thereunder for the filing of such form), its audited consolidated balance sheet and audited consolidated statements of income and cash flows as of the end of and for such fiscal year, and related notes thereto, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent registered public accounting firm of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such financial statements present fairly in all material respects the financial condition, results of operations and cash flow of Holdings, the Borrower and the Subsidiaries on a consolidated basis as of the end of and for such fiscal year in accordance with GAAP consistently applied, and accompanied by a narrative report containing management's discussion and analysis of the financial position and financial performance for such fiscal year in reasonable form and detail;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of Holdings (or, so long as Holdings shall be subject to periodic reporting obligations under the Exchange Act, by the date that the Quarterly Report on Form 10-Q of Holdings for such fiscal quarter would be required to be filed under the rules and regulations of the SEC, giving effect to any automatic

extension available thereunder for the filing of such form), its unaudited consolidated balance sheet and unaudited consolidated statements of income and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition, results of operations and cash flows of Holdings, the Borrower and the Subsidiaries on a consolidated basis as of the end of and for such fiscal quarter and such portion of the fiscal year in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of certain footnotes, and accompanied by a narrative report containing management's discussion and analysis of the financial position and financial performance for such fiscal quarter in reasonable form and detail;

(c) not later than the fifth Business Day following the date of delivery of financial statements under clause (a) or (b) above, a completed Compliance Certificate, substantially in the form attached hereto as Exhibit E , of a Financial Officer of Holdings (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations (A) in the case of financial statements ending as of December 31 of any fiscal year, beginning with the financial statements for the fiscal year of Holdings ending December 31, 2014, of Excess Cash Flow and (B) in the case of any fiscal year when an ECF Shortfall Amount exists, GAAP Working Capital as of the ECF Sweep Payment Date for such fiscal year (calculated prior to giving effect to any prepayment of Loans on such date), (iii) stating whether any change in GAAP or in the application thereof has occurred since the later of the date of the Borrower's audited financial statements referred to in Section 3.04 and the date of the prior certificate delivered pursuant to this clause (c) indicating such a change and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate, (iv) identifying as of the date of such Compliance Certificate each Subsidiary that (A) is an Excluded Subsidiary as of such date but has not been identified as an Excluded Subsidiary in Schedule 3.14 or in any prior Compliance Certificate or (B) has previously been identified as an Excluded Subsidiary but has ceased to be an Excluded Subsidiary and (v) in the case of the Compliance Certificate relating to annual financial statements delivered pursuant to clause (a) above setting forth the amounts of the Available ECF Amount and any Qualifying Equity Proceeds utilized for Specified Uses during the most recent fiscal quarter included in such financial statements, specifying each such use and the amount thereof;

(d) not more than 120 days after the commencement of each fiscal year of Holdings, a detailed consolidated budget for such fiscal year (including a projected consolidated balance sheet and consolidated statements of projected income and cash flows as of the end of and for such fiscal year and setting forth the assumptions used for purposes of preparing such budget) and, promptly when

available, any significant revisions of such budget;

(e) promptly after the request by any Lender, all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act;

(f) promptly following any request therefor, such other information regarding the operations, business affairs, assets, liabilities (including contingent liabilities) and financial condition of Holdings, the Borrower or any Subsidiary, or compliance with the terms of this Agreement or any other Loan Document, or with the USA Patriot Act, as the Administrative Agent or any Lender may reasonably request; and

(g) promptly following the effectiveness of any amendment to or other modification of the First Lien Credit Agreement, including in connection with the establishment of First Lien Incremental Facility Indebtedness, Refinancing Facility Amendments (as defined in the First Lien Credit Agreement) and Permitted Amendments (as defined in the First Lien Credit Agreement), copies of the definitive documentation with respect thereto.

Information required to be furnished pursuant to clause (a) and (b) of this Section shall be deemed to have been furnished if such information, or one or more annual or quarterly reports containing such information, shall have been posted by the Administrative Agent on a Platform to which the Lenders have been granted access or shall be available on the website of the SEC at http://www.sec.gov. Information required to be furnished pursuant to this Section may also be furnished by electronic communications pursuant to procedures approved by the Administrative Agent.

SECTION 5.02. Notices of Material Events. Within five Business Days after obtaining knowledge thereof, Holdings and the Borrower will furnish to the Administrative Agent written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against Holdings, the Borrower or any Subsidiary or, to the knowledge of a Financial Officer or another executive officer of Holdings or the Borrower, affecting Holdings, the Borrower or any Affiliate thereof, or any adverse development in any such pending action, suit or proceeding not previously disclosed in writing by Holdings or the Borrower to the Administrative Agent, that in each case could reasonably be expected to result in a Material Adverse Effect or that in any manner questions the validity of this Agreement or any other Loan Document;

(c) the occurrence of any ERISA Event or any fact or circumstance that gives rise to a reasonable expectation that any ERISA Event will occur that, in either case, alone or together with any other ERISA Events that have occurred or

are reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect;

(d) any material change in accounting policies or financial reporting practices by Holdings or any Subsidiary (it being understood that such notice shall be deemed provided to the extent described in any financial statement delivered to the Administrative Agent pursuant to the terms of this Agreement); and

(e) any other development (including notice of any Environmental Liability) that has resulted, or could reasonably be expected to result, in a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a written statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Information Regarding Collateral. (a) Holdings and the Borrower will furnish to the Administrative Agent prompt written notice of any change (i) in any Loan Party's legal name, as set forth in such Loan Party's organizational documents, (ii) in the jurisdiction of incorporation or organization of any Loan Party, (iii) in the form of organization of any Loan Party or (iv) in any Loan Party's organizational identification number, if any, or, with respect to a Loan Party organized under the laws of a jurisdiction that requires such information to be set forth on the face of a Uniform Commercial Code financing statement, the Federal Taxpayer Identification Number of such Loan Party. Holdings and the Borrower agree not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral.

(b) At the time of delivery of financial statements pursuant to Section 5.01(a) or (b), Holdings and the Borrower shall deliver to the Administrative Agent a completed Supplemental Perfection Certificate, signed by a Financial Officer of each of Holdings and the Borrower, (i) setting forth the information required pursuant to the Supplemental Perfection Certificate and indicating any changes in such information from the most recent Supplemental Perfection Certificate delivered pursuant to this Section (or, prior to the first delivery of a Supplemental Perfection Certificate, from the Perfection Certificate delivered on the Effective Date) or (ii) certifying that there has been no change in such information from the most recent Supplemental Perfection Certificate delivered pursuant to this Section (or, prior to the first delivery of a Supplemental Perfection Certificate, from the Perfection Certificate delivered on the Effective Date).

(c) Holdings and the Borrower will cause all cash owned by Holdings, the Borrower and the other Subsidiaries at any time, other than (i) cash used in the operation of Foreign Subsidiaries and (ii) cash held by Holdings or any Subsidiary in trust for any

director, officer or employee of Holdings or any Subsidiary or any employee benefit plan maintained by Holdings or any Subsidiary, to be held in deposit accounts maintained in the name of one or more Loan Parties.

(d) Holdings and the Borrower will, in each case as promptly as practicable, notify the Administrative Agent of the existence of any deposit account or securities account maintained by a Loan Party in respect of which a Control Agreement is required to be in effect pursuant to clause (f) of the definition of the term "Collateral and Guarantee Requirement" but is not yet in effect.

SECTION 5.04. Existence; Conduct of Business. Each of Holdings and the Borrower will, and will cause each Subsidiary to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business; provided that the foregoing shall not prohibit any transaction permitted under Section 6.03 or 6.05, including any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.05. Payment of Obligations. Each of Holdings and the Borrower will, and will cause each Subsidiary to, pay its material obligations (other than Indebtedness and any obligations in respect of any Hedging Agreements), including Tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) Holdings, the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.06. Maintenance of Properties. Each of Holdings and the Borrower will, and will cause each Subsidiary to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

SECTION 5.07. Insurance. Each of Holdings and the Borrower will, and will cause each Subsidiary to, maintain, with financially sound and reputable insurance companies, (a) insurance in such amounts (with no greater risk retention) and against such risks as is (i) customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (ii) considered adequate by Holdings and the Borrower and (b) all other insurance as may be required by applicable law or any other Loan Document. Each such policy of liability or casualty insurance maintained by or on behalf of Loan Parties will (a) in the case of each liability insurance policy (other than workers' compensation, director and officer liability or other policies in which such endorsements are not customary), name the Administrative Agent, on behalf of the Secured Parties, as an additional insured thereunder, (b) in the case of each casualty insurance policy, contain a lender's loss payable clause or endorsement that names the Administrative Agent, on behalf of the Secured Parties, as the lender's loss payee thereunder and (c) provide for at least 30 days'

prior written notice (or 10 days' prior written notice in the event of cancellation for non-payment of premium, or, in any case, such shorter number of days as may be agreed to by the Administrative Agent) to the Administrative Agent of any cancellation of such policy. With respect to each Mortgaged Property that is located in an area determined by the Federal Emergency Management Agency to have special flood hazards, the applicable Loan Party has obtained, and will maintain, with financially sound and reputable insurance companies, such flood insurance as is required under applicable law, including Regulation H of the Board of Governors. The Borrower will furnish to the Lenders, upon request of the Administrative Agent, information in reasonable detail as to the insurance so maintained.

SECTION 5.08. Casualty and Condemnation. The Borrower (a) will furnish to the Administrative Agent, which will furnish to each Lender, prompt written notice of any casualty or other damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of or any material interest in the Collateral under power of eminent domain or by condemnation or similar proceeding and (b) will ensure that the Net Proceeds of any such event (whether in the form of insurance proceeds, condemnation awards or otherwise) are collected and applied in accordance with the applicable provisions of this Agreement and the Security Documents.

SECTION 5.09. Books and Records; Inspection and Audit Rights; Lender Calls. (a) Each of Holdings and the Borrower will, and will cause each Subsidiary to, keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law are made of all dealings and transactions in relation to its business and activities. Each of Holdings and the Borrower will, and will cause each Subsidiary to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times during regular business hours and as often as reasonably requested; provided , however , that, excluding any such visits and inspections during the continuation of an Event of Default, (i) only the Administrative Agent, acting individually or on behalf of the Lenders, may exercise rights under this paragraph and (ii) the Administrative Agent shall not exercise the rights under this paragraph more often than two times during any calendar year.

(b) On a date not more than 30 days after the commencement of each fiscal quarter of Holdings, Financial Officers of Holdings and the Borrower shall participate in a conference call with the Lenders to discuss the financial condition and results of operations of Holdings, the Borrower and the Subsidiaries for such fiscal quarter;

SECTION 5.10. Compliance with Laws. Each of Holdings and the Borrower will, and will cause each Subsidiary to, comply with all Requirements of Law (including Environmental Laws) with respect to it or its assets, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a

Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their directors, officers, employees and agents with applicable Anti-Corruption Laws and Sanctions.

SECTION 5.11. Use of Proceeds. (a) The proceeds of the Loans, together with the proceeds from the term loans under the First Lien Credit Agreement, shall be used on the Effective Date to pay the outstanding obligations of the Borrower and SOI Holdings, Inc. under the Existing Credit Agreement, to finance the Dividend and to pay Transaction Costs.

(b) No Borrowing will be made, and no proceeds of any Borrowing will be used, (A) for the purpose of funding payments to any officer or employee of a Governmental Authority, Person controlled by a Governmental Authority, political party, official of a political party, candidate for political office or other Person acting in an official capacity, in each case in violation of applicable Anti-Corruption Laws, (B) for the purpose of financing the activities of any Sanctioned Person or (C) in any manner that would result in the violation of Sanctions by any party hereto.

SECTION 5.12. Additional Subsidiaries. If any additional Subsidiary is formed or acquired (or otherwise becomes a Designated Subsidiary) after the Effective Date, then the Borrower will, as promptly as practicable and, in any event, within 60 days (or such longer period as the Administrative Agent may, in its sole discretion, agree to in writing) after such Subsidiary is formed or acquired (or otherwise becomes a Designated Subsidiary), notify the Administrative Agent thereof and cause the Collateral and Guarantee Requirement, to the extent applicable, to be satisfied with respect to such Subsidiary (if it is a Designated Subsidiary) and with respect to any Equity Interest in or Indebtedness of such Subsidiary owned by or on behalf of any Loan Party.

SECTION 5.13. Senior Indebtedness . In the event that Holdings, the Borrower or any other Loan Party shall at any time issue or have outstanding any other Subordinated Indebtedness, Holdings and the Borrower shall take or cause such other Loan Party to take all such actions as shall be necessary to cause the Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Lenders to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness. Without limiting the foregoing, the Obligations are hereby designated as “senior indebtedness” and as “designated senior indebtedness” under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

SECTION 5.14. Maintenance of Ratings . Holdings and the Borrower will use commercially reasonable efforts to maintain continuously in effect a corporate rating

from S&P and a corporate family rating from Moody's, in each case in respect of the Borrower, and a rating of the credit facility hereunder by each of S&P and Moody's.

SECTION 5.15. Further Assurances. (a) Each of Holdings and the Borrower will, and will cause each Subsidiary Loan Party to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), that may be required under any applicable law, or that the Administrative Agent or the Required Lenders may reasonably request, to cause the Collateral and Guarantee Requirement to be and remain satisfied, all at the expense of the Loan Parties. Each of Holdings and the Borrower also agrees to provide to the Administrative Agent, from time to time upon request, evidence reasonably satisfactory to the Administrative Agent as to the perfection and priority of the Liens created or intended to be created by the Security Documents.

(b) As promptly as practicable, and in any event within 90 days, after the Effective Date, Holdings, the Borrower and each other Loan Party will undertake all actions listed on Schedule 5.15 (including delivery of all Foreign Pledge Agreements and Control Agreements that would have been required to be delivered on the Effective Date but for the penultimate sentence of Section 4.01), in each case except to the extent not required under the definition of the term "Collateral and Guarantee Requirement".

(c) If any assets with a value in excess of $5,000,000 are acquired by Holdings, the Borrower or any Subsidiary Loan Party after the Effective Date (other than assets constituting Collateral under the Collateral Agreement that become subject to the Lien created by the Collateral Agreement upon acquisition thereof and other than Excluded Assets), the Borrower will notify the Administrative Agent and the Lenders thereof, and, if requested by the Administrative Agent or the Required Lenders, the Borrower will cause such assets to be subjected to a Lien securing the Obligations and will take, and cause the Subsidiary Loan Parties to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (a) of this Section, all at the expense of the Loan Parties, subject in each case to any exceptions expressly set forth in this Agreement or the other Loan Documents.

ARTICLE VI

Negative Covenants

Until the Commitments shall have expired or been terminated and the principal of and interest on each Loan and all fees, expenses and other amounts (other than contingent amounts not yet due) payable under this Agreement or any other Loan Document have been paid in full, each of Holdings and the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness; Certain Equity Securities. (a) Holdings and the Borrower will not, nor will they permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(i) Indebtedness created under the Loan Documents;

(ii) Indebtedness existing on the date hereof and set forth in Schedule 6.01 of the Disclosure Letter and any Refinancing Indebtedness in respect thereof;

(iii) (A) Indebtedness of the Borrower under the First Lien Credit Agreement (and Guarantees by the Loan Parties other than the Borrower of Indebtedness under the First Lien Credit Agreement) in an aggregate principal amount not in excess of (x) $705,000,000 less (y) the amount of any permanent reduction of revolving commitments and permanent repayments or prepayments of term loans under the First Lien Credit Agreement, at any time outstanding, and (B) Refinancing Indebtedness in respect thereof;

(iv) Permitted Second Priority Refinancing Indebtedness and any Refinancing Indebtedness in respect thereof;

(v) Indebtedness of any Subsidiary to Holdings, the Borrower or any other Subsidiary; provided that (A) any such Indebtedness owing by any Loan Party shall be unsecured and shall be subordinated in right of payment to the Obligations on terms customary for intercompany subordinated Indebtedness, (B) any such Indebtedness owing to any Loan Party shall be evidenced by the Intercompany Note, which shall have been pledged pursuant to the Collateral Agreement and (C) any such Indebtedness owing by any Subsidiary that is not a Loan Party to any Loan Party shall be incurred in compliance with Section 6.04;

(vi) Guarantees by the Borrower or Holdings of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of Holdings, the Borrower or any other Subsidiary; provided that (A) the Indebtedness so Guaranteed is permitted by this Section (other than clause (a)(ii) and (a)(viii)), (B) Guarantees by Holdings, the Borrower or any Subsidiary Loan Party of Indebtedness of any Subsidiary that is not a Loan Party shall be subject to Section 6.04 and (C) Guarantees permitted under this clause (vi) shall be subordinated to the Obligations of the applicable Subsidiary to the same extent and on the same terms as the Indebtedness so Guaranteed is subordinated to the Obligations;

(vii) (A) Indebtedness of the Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations, purchase money Indebtedness and any Indebtedness assumed by the Borrower or any Subsidiary in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof and (B) Refinancing Indebtedness in respect of Indebtedness incurred or assumed pursuant to clause (A) above; provided further

that the aggregate principal amount of Indebtedness permitted by this clause (vii) shall not exceed $28,750,000 at any time outstanding;

(viii) (A) Indebtedness (other than Indebtedness under credit facilities or any capital market Indebtedness) of any Person that becomes a Subsidiary (or of any Person not previously a Subsidiary that is merged or consolidated with or into a Subsidiary in a transaction permitted hereunder) after the date hereof, or Indebtedness of any Person that is assumed by any Subsidiary in connection with an acquisition of assets by such Subsidiary in a Permitted Acquisition; provided that such Indebtedness exists at the time such Person becomes a Subsidiary (or is so merged or consolidated) or such assets are acquired and is not created in contemplation of or in connection with such Person becoming a Subsidiary (or such merger or consolidation) or such assets being acquired, and (B) Refinancing Indebtedness in respect of Indebtedness assumed pursuant to clause (A) above; provided further that the aggregate principal amount of Indebtedness permitted by this clause (viii) shall not exceed $23,000,000 at any time outstanding;

(ix) Permitted Unsecured Indebtedness in an aggregate principal amount not to exceed (A) $28,750,000 plus (B) additional amounts so long as, at the time of incurrence of such Permitted Unsecured Indebtedness in reliance on this subclause (ix)(B), the Total Leverage Ratio, calculated on a Pro Forma Basis as of the date of incurrence thereof, is not in excess of 5.25 to 1.00; provided that (x) immediately prior to and immediately after giving effect to the incurrence of any Permitted Unsecured Indebtedness under this clause (ix), no Default or Event of Default shall have occurred and be continuing and (y) the Borrower will, on the date of incurrence of such Indebtedness in reliance on clause (B) above, deliver to the Administrative Agent a certificate of a Financial Officer of the Borrower, dated such date, confirming the satisfaction of the conditions set forth above and attaching a reasonably detailed calculation of the Total Leverage Ratio on a Pro Forma Basis as of such date identifying the Permitted Unsecured Indebtedness being incurred and specifying that it is being incurred pursuant to this Section 6.01(a)(ix);

(x) Indebtedness incurred in the ordinary course of business and owed in respect of any overdrafts and related liabilities arising from treasury, depositary and cash management services or in connection with any automated clearinghouse transfers of funds;

(xi) Indebtedness in respect of letters of credit, bank guarantees and similar instruments issued for the account of Holdings or any Subsidiary in the ordinary course of business supporting obligations under (A) workers' compensation, health, disability or other employee benefits, casualty or liability insurance, unemployment insurance and other social security laws and local state and federal payroll taxes (B) obligations in connection with self-insurance arrangements and (C) bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and obligations of a like nature;

(xii) Indebtedness consisting of client advances or deposits received in the ordinary course of business;

(xiii) Alternative Incremental Facility Indebtedness and Refinancing Indebtedness in respect thereof , provided that (A) no Default or Event of Default shall have occurred and be continuing on the date of incurrence thereof, both immediately prior to and immediately after giving effect to such incurrence, (B) unless such Indebtedness is incurred solely in reliance on utilization of the Base Incremental Amount, after giving effect to such Alternative Incremental Facility Indebtedness and Refinancing Indebtedness in respect thereof, as the case may be, the Total Leverage Ratio computed on a Pro Forma Basis as of the date of such incurrence shall not be greater than 5.00 to 1.0; (C) the sum of the cumulative aggregate original amount of all the Incremental Term Commitments established under Section 2.21 and aggregate original amount of all Alternative Incremental Facility Indebtedness incurred under this Section 6.01(a)(xiii) shall not, on the date of issuance of any such Alternative Incremental Facility Indebtedness, exceed the Maximum Incremental Amount in effect on such date, and (D) the Borrower will, on the date of incurrence of any Alternative Incremental Facility Indebtedness under this Section 6.01(a)(xiii), deliver to the Administrative Agent a certificate of a Financial Officer of the Borrower, dated such date, confirming the satisfaction of the conditions set forth above, stating that such incurrence relies solely on utilization of the available Base Incremental Amount or, if that is not the case, attaching a reasonably detailed calculation of the Total Leverage Ratio on a Pro Forma Basis as of such date identifying the Alternative Incremental Facility Indebtedness being incurred and specifying that it is being incurred pursuant to this Section 6.01(a)(xiii);

(xiv) First Lien Incremental Facility Indebtedness and First Lien Alternative Incremental Facility Indebtedness, and, in each case, Refinancing Indebtedness in respect thereof; provided that (A) no Default or Event of Default shall have occurred and be continuing on the date of incurrence thereof, both immediately prior to and immediately after giving effect to such incurrence, (B) unless such Indebtedness is incurred solely in reliance on utilization of the Base First Lien Incremental Amount, after giving effect to such First Lien Incremental Facility Indebtedness, First Lien Alternative Incremental Facility Indebtedness or Refinancing Indebtedness in respect thereof, as the case may be, the First Lien Leverage Ratio, computed on a Pro Forma Basis as of the date of such incurrence (assuming that the full amount of any revolving commitments included in such Indebtedness have been borrowed as revolving loans and including for purposes of such calculation all First Lien Alternative Incremental Facility Indebtedness and any Refinancing Indebtedness in respect thereof) shall not exceed 3.75 to 1.00; and (C) the Borrower will, on the date of incurrence of any First Lien Incremental Facility Indebtedness or First Lien Alternative Incremental Facility Indebtedness under this Section 6.01(a)(xiv), deliver to the Administrative Agent a certificate of a Financial Officer of the Borrower, dated such date, confirming the satisfaction of the conditions set forth above and stating that such incurrence relies solely on utilization of the available Base First Lien Incremental Amount

or, if that is not the case, attaching a reasonably detailed calculation of the Total Leverage Ratio on a Pro Forma Basis as of such date identifying First Lien Incremental Facility Indebtedness or First Lien Alternative Incremental Facility Indebtedness being incurred and specifying that it is being incurred pursuant to this Section 6.01(a)(xiv);

(xv) Indebtedness of Holdings, the Borrower or any Subsidiary in the form of purchase price adjustments (including in respect of working capital), earnouts, deferred compensation, indemnification or other arrangements representing acquisition consideration or deferred payments of a similar nature incurred in connection with any Permitted Acquisition or other Investments permitted under Section 6.04 or Dispositions permitted under Section 6.05;

(xvi) Indebtedness of Foreign Subsidiaries in an aggregate principal amount at any time outstanding not in excess of $17,250,000;

(xvii) Indebtedness incurred in the ordinary course of business by (A) Archimedes in respect of letters of credit issued to support its workers compensation program and (B) Holdings in respect of its Guarantee of foreign currency exchange obligations of TriNet Canada;

(xviii) Indebtedness relating to premium financing arrangements for property and casualty insurance plans and health and welfare benefit plans (including health and workers compensation insurance, employment practices liability insurance and directors and officers insurance), if incurred in the ordinary course of business;

(xix) Indebtedness relating to tenant improvement loans incurred in the ordinary course of business;

(xx) Indebtedness with respect to any letter of credit naming a Loan Party or a Subsidiary as the account party and not issued under this Agreement, in an aggregate amount in for all such Indebtedness not to exceed $5,750,000 at any time outstanding;

(xxi) Business Credit Card Indebtedness incurred in the ordinary course of business not in excess of $11,500,000 at any time outstanding; and

(xxii) Other unsecured and Subordinated Indebtedness not otherwise described above in an aggregate amount at any time outstanding not in excess of $5,750,000.

(b) The Borrower will not, nor will Holdings or the Borrower permit any Subsidiary to, issue any preferred Equity Interests except, in the case of any Domestic Subsidiary, preferred Equity Interests issued to and held by Holdings, the Borrower or any Subsidiary Loan Party in respect of which the Collateral and Guarantee Requirement shall be satisfied within the times required thereby or in the case of any Foreign Subsidiary, to the extent required by any Requirement of Law. Neither Holdings nor any

Subsidiary will issue or permit to exist any Disqualified Equity Interests except for Disqualified Equity Interests existing on the Effective Date and set forth on Schedule 3.14 to the Disclosure Letter.

SECTION 6.02. Liens. (a) Holdings and the Borrower will not, nor will they permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(i) Liens created under the Loan Documents;

(ii) Permitted Encumbrances;

(iii) Liens created under the First Lien Security Documents;

(iv) any Lien on any asset of Holdings, the Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.02 to the Disclosure Letter; provided that (A) such Lien shall not apply to any other asset of Holdings, the Borrower or any Subsidiary and (B) such Lien shall secure only those obligations that it secures on the date hereof and extensions, renewals, replacements and refinancings thereof so long as the principal amount of such extensions, renewals, replacements and refinancings does not exceed the principal amount of the obligations being extended, renewed, replaced or refinanced or, in the case of any such obligations constituting Indebtedness, that are permitted under Section 6.01(a)(ii) as Refinancing Indebtedness in respect thereof;

(v) any Lien existing on any asset prior to the acquisition thereof by Holdings, the Borrower or any Subsidiary or existing on any asset of any Person that becomes a Subsidiary (or of any Person not previously a Subsidiary that is merged or consolidated with or into a Subsidiary in a transaction permitted hereunder) after the date hereof prior to the time such Person becomes a Subsidiary (or is so merged or consolidated); provided that (A) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary (or such merger or consolidation), (B) such Lien shall not apply to any other asset of Holdings, the Borrower or any Subsidiary (other than, in the case of any such merger or consolidation, the assets of any Subsidiary without significant assets that was formed solely for the purpose of such acquisition) and (C) such Lien shall secure only those obligations that it secures on the date of such acquisition or the date such Person becomes a Subsidiary (or is so merged or consolidated) and extensions, renewals, replacements and refinancings thereof so long as the principal amount of such extensions, renewals and replacements does not exceed the principal amount of the obligations being extended, renewed or replaced or, in the case of any such obligations constituting Indebtedness, that are permitted under Section 6.01(a)(viii) as Refinancing Indebtedness in respect thereof;

(vi) Liens on fixed or capital assets acquired, constructed or improved (including any such assets made the subject of a Capital Lease Obligation incurred) by the Borrower or any Subsidiary; provided that (A) such Liens secure Indebtedness incurred to finance such acquisition, construction or improvement and permitted by clause (vii)(A) of Section 6.01(a) or any Refinancing Indebtedness in respect thereof permitted by clause (vii)(B) of Section 6.01(a) and (B) such Liens shall not apply to any other property or assets of the Borrower or any Subsidiary, other than the proceeds of such fixed or capital assets;

(vii) in connection with the sale or transfer of any Equity Interests or other assets in a transaction permitted under Section 6.05, customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof;

(viii) in the case of (A) any Subsidiary that is not a wholly-owned Subsidiary or (B) the Equity Interests in any Person that is not a Subsidiary, any encumbrance or restriction, including any put and call arrangements, related to Equity Interests in such Subsidiary or such other Person set forth in the Organizational Documents of such Subsidiary or such other Person or any related joint venture, shareholders' or similar agreement;

(ix) Liens solely on any cash earnest money deposits, escrow arrangements or similar arrangements made by Holdings, the Borrower or any Subsidiary in connection with any letter of intent or purchase agreement for a Permitted Acquisition or other transaction permitted hereunder;

(x) Liens granted by a Subsidiary that is not a Loan Party in respect of Indebtedness permitted to be incurred by such Subsidiary under Section 6.01;

(xi) Liens securing judgments for the payment of money not constituting an Event of Default under Section 7.01;

(xii) Liens on the Collateral securing (A) Permitted Second Priority Refinancing Indebtedness and Alternative Incremental Facility Indebtedness permitted under Section 6.01(a)(iv) and (a)(xiii), and, if secured by the Collateral, Refinancing Indebtedness in respect thereof, provided that the Senior Representative for any such Indebtedness has entered into the Pari Passu Second Lien Intercreditor Agreement and the First Lien/Second Lien Intercreditor Agreement, and (B) First Lien Incremental Facility Indebtedness and First Lien Alternative Incremental Facility Indebtedness permitted under Section 6.01(a)(xiv) and, if secured by the Collateral, Refinancing Indebtedness in respect thereof, provided that the Senior Representative for any such Indebtedness has entered into the First Lien/Second Lien Intercreditor Agreement;

(xiii) Liens on cash collateral granted by Holdings, the Borrower or any Subsidiary to support such Person's obligations under the AIG Contract;

(xiv) Liens of Continental Casualty Company on that certain deductible Liability Insurance Policy No. 5014190 (and proceeds thereof) issued to the Borrower (as successor by merger to Gevity HR, Inc.) by National Union Fire Insurance Company of Vermont (or any other replacement deductible liability protection policy) to secure the obligations of the Borrower thereunder;

(xv) Liens deemed to exist in connection with Investments in repurchase agreements constituting Permitted Investments hereunder;

(xvi) Liens on deposit accounts that are Excluded Accounts securing Business Credit Card Indebtedness not in excess of $5,750,000 at any time outstanding permitted under Section 6.01;

(xvii) Liens on deposit accounts that are Excluded Accounts securing ACH Indebtedness and Indebtedness in respect of letters of credit, bank guarantees and similar instruments permitted under Section 6.01;

(xviii) Liens on insurance policies and the proceeds thereof securing Indebtedness permitted by Section 6.01(a)(xviii);

(xix) Liens on tenant improvements securing Indebtedness relating to tenant improvement loans that financed such improvements; and

(xx) Liens not otherwise permitted by this Section to the extent that neither (i) the aggregate outstanding principal amount of the obligations secured thereby nor (ii) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds $5,750,000 at any time outstanding.

(b) Notwithstanding anything herein to the contrary, (A) Holdings will not create, incur, assume or permit to exist any Liens securing Indebtedness other than for Indebtedness permitted under clauses (i), (ii), (iii), (iv), (x), (xi), (xii), (xiii), (xiv), (xix) and (xx) of Section 6.01(a) and (B) no Liens, other than Permitted Encumbrances imposed by law, Liens under the Security Documents, Liens under the Second Lien Security Documents and Liens permitted by Section 6.02(a)(iv), (v), (vii) and (xii) will be permitted with respect to any Collateral consisting of Equity Interests pledged pursuant to the Security Documents.

SECTION 6.03. Fundamental Changes. (a) Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing (i) any Person may merge into or consolidate with Holdings, the Borrower in a transaction in which Holdings or the Borrower is the surviving entity, (ii) any Person (other than the Borrower) may merge into or consolidate with any Subsidiary in a transaction in which the surviving entity is a Subsidiary and, if any party to such merger or consolidation is a Subsidiary Loan Party, is a Subsidiary Loan Party, (iii) any Subsidiary may merge into or consolidate with any

Person (other than the Borrower) in a transaction permitted under Section 6.05 in which, after giving effect to such transaction, the surviving entity is not a Subsidiary; (iv) any Subsidiary (other than the Borrower) may merge, consolidate or amalgamate with any other Person in order to effect an Investment permitted pursuant to Section 6.04, provided that the continuing or surviving Person shall be a Subsidiary Loan Party; and (v) any Subsidiary (other than the Borrower or another Subsidiary Loan Party) may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; provided that any such merger or consolidation otherwise permitted pursuant to the foregoing provisions involving a Person that is not a wholly-owned Subsidiary immediately prior to such merger or consolidation shall not be permitted unless it is also permitted by Section 6.04 or 6.05.

(b) The Borrower will not, and Holdings and the Borrower will not permit any Subsidiary to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and the Subsidiaries on the date hereof and businesses reasonably related, ancillary or incidental thereto.

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, to, purchase, hold, acquire (including pursuant to any merger or consolidation with any Person that was not a wholly-owned Subsidiary prior thereto), make or otherwise permit to exist any Investment in any other Person, except:

(a) Permitted Investments;

(b) (i) Investments existing on the date hereof in the Borrower and the Subsidiaries and (ii) other Investments existing on the date hereof and set forth on Schedule 6.04 to the Disclosure Letter;

(c) (x) additional Investments by Holdings or the Borrower in any Subsidiary Loan Party and by any Subsidiary Loan Party in the Borrower or in another Subsidiary Loan Party, and (y) Investments (including by way of capital contributions) by Holdings, the Borrower and the other Subsidiaries in Equity Interests in their Subsidiaries; provided , in the case of clause (y), that (i) such subsidiaries are Subsidiaries prior to such Investments, (ii) any such Equity Interests held by a Loan Party shall be pledged in accordance with the requirements of the Collateral and Guarantee Requirement and (iii) the aggregate amount of such Investments by the Loan Parties in Subsidiaries that are not Loan Parties pursuant to this clause (y), plus the aggregate amount of loans and advances by the Loan Parties pursuant to Section 6.04(d) to Subsidiaries that are not Loan Parties, plus the aggregate amount of Guarantees by the Loan Parties pursuant to Section 6.04(e) of Indebtedness or other obligations of Subsidiaries that are not Loan Parties (excluding all such Investments, loans, advances and Guarantees existing on the date hereof and permitted by clause (b) above or permitted under Section 6.04 (p)and (s)(i) below) shall not exceed $11,500,000 at any time outstanding (in each case determined without regard to any write-downs

or write-offs);

(d) loans or advances made by Holdings or the Borrower to any Subsidiary and made by any Subsidiary to the Borrower or any other Subsidiary; provided that (i) any Indebtedness resulting therefrom is permitted by clause (v) of Section 6.01(a) and (ii) the amount of such loans and advances made by Loan Parties to Subsidiaries that are not Loan Parties shall be subject to the limitation set forth in clause (c) above;

(e) Guarantees by Holdings of the Obligations, the obligations under the First Lien Credit Agreement, the obligations under Alternative Incremental Facility Indebtedness, the obligations under Other First Lien Secured Indebtedness, Permitted Second Priority Refinancing Indebtedness, and Permitted Unsecured Indebtedness, and, in each case, Refinancing Indebtedness in respect thereof, and unsecured Indebtedness or Subordinated Indebtedness permitted under Section 6.01(a)(xxii), and Guarantees by the Borrower or any other Subsidiary of Indebtedness or other obligations of the Borrower or any other Subsidiary (including any such Guarantees arising as a result of any such Person being a joint and several co-applicant with respect to any letter of credit or letter of guaranty); provided that (i) (A) a Subsidiary that has not Guaranteed the Obligations pursuant to the Collateral Agreement shall not Guarantee any Indebtedness of any Loan Party, (B) any such Guarantee of such Permitted Unsecured Indebtedness (or of such Refinancing Indebtedness) provides for the release and termination thereof, without action by any Person, upon any release and termination of such Guarantee of the Obligations, and (C) any such Guarantee of Subordinated Indebtedness is subordinated to the Obligations on terms no less favorable to the Lenders than those of the Subordinated Indebtedness, (ii) any such Guarantee constituting Indebtedness is permitted by Section 6.01, and (iii) the aggregate amount of such Indebtedness (excluding, for the avoidance of doubt, Guarantees of obligations not constituting Indebtedness) of Subsidiaries that are not Loan Parties that is Guaranteed by any Loan Parties shall be subject to the limitation set forth in clause (c) above;

(f) (i) loans or advances to employees of Holdings, the Borrower or any Subsidiary made in the ordinary course of business, including those to finance the purchase of Equity Interests of Holdings pursuant to employee plans and (ii) payroll, travel, entertainment, relocation and similar advances to directors and employees of Holdings or any Subsidiary to cover matters that are expected at the time of such advances to be treated as expenses of Holdings or such Subsidiary for accounting purposes and that are made in the ordinary course of business; provided that the aggregate principal amount of such loans and advances under this clause (f) outstanding at any time shall not exceed $8,625,000;

(g) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, or consisting of securities acquired in connection with the satisfaction or enforcement of claims due or owing to Holdings or any

Subsidiary, in each case in the ordinary course of business;

(h) Permitted Acquisitions;

(i) Investments held by a Subsidiary acquired after the Effective Date or of a Person merged or consolidated with or into a Subsidiary after the Effective Date, in each case as permitted hereunder, to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation; provided that this clause (i) is intended solely to grandfather such Investments as are indirectly acquired as a result of an acquisition of such Person otherwise permitted hereunder and any consideration paid in connection with such acquisition that may be allocable to such Investments must be permitted by, and be taken into account in computing compliance with, any basket amounts or limitations applicable to such acquisition hereunder;

(j) Investments in the form of Hedging Agreements permitted by Section 6.07;

(k) Investments by Foreign Subsidiaries in other Foreign Subsidiaries;

(l) Investments made as a result of the receipt of noncash consideration from a sale, transfer, lease or other disposition of any asset in compliance with Section 6.05;

(m) Investments that result solely from the receipt by Holdings, the Borrower or any Subsidiary from any of its subsidiaries of a dividend or other Restricted Payment in the form of Equity Interests, evidences of Indebtedness or other securities (but not any additions thereto made after the date of the receipt thereof);

(n) Investments consisting of (i) extensions of trade credit, (ii) the capitalization of any captive insurance company, (iii) deposits made in connection with the purchase of goods or services or the performance of leases, licenses or contracts, in each case, in the ordinary course of business, (iv) notes receivable of, or prepaid royalties and other extensions of credit to, customers and suppliers that are not Affiliates of the Borrower and that are made in the ordinary course of business consistent with past practice and (v) Guarantees made in the ordinary course of business in support of obligations of Holdings or any of its Subsidiaries not constituting Indebtedness for borrowed money, including operating leases and obligations owing to suppliers, customers and licensees;

(o) mergers and consolidations permitted under Section 6.03 that do not involve any Person other than Holdings, the Borrower and Subsidiaries that are wholly-owned Subsidiaries;

(p) intercompany loans or other intercompany Investments made by Loan Parties in the ordinary course of business to or in any Foreign Subsidiary (A) to

fund the payment of business expenses and income taxes of Archimedes and (B) to provide funds as necessary to enable the applicable Foreign Subsidiary to comply with changes in statutory or contractual capital requirements;

(q) joint ventures or strategic alliances created or formed in the ordinary course of business of the Borrower, Holdings or their Subsidiaries; provided that the aggregate amount of Investments in such entities during any fiscal year do not exceed $11,500,000 in the aggregate;

(r) Investments consisting of Guarantees in the ordinary course of business to support the obligations of any Subsidiary under its worker's compensation and general insurance agreements; and

(s) (i) other Investments, including Investments in connection with the acquisition of Foreign Subsidiaries or other Persons (including Non-Compliant Subsidiaries and Non-Compliant Assets in connection with Permitted Acquisitions) that will not be Loan Parties, in an aggregate amount not in excess of $11,500,000, plus (ii) in any additional amount, to the extent the consideration therefor consists of Qualified Equity Interests or Qualifying Equity Proceeds available on the date of such Investment and not previously applied to Specified Uses, plus (iii) if the Total Leverage Ratio immediately after giving effect to any such Investment, calculated on a Pro Forma Basis at the time such Investment is made, is less than 5.25 to 1.00, in an amount not in excess of the Available ECF Amount at the time such Investment is made; provided , however , that at the time any such Investment is made pursuant to this clause (s), no Default shall have occurred and be continuing or would result therefrom.

Notwithstanding anything contrary set forth above, if any Investment is denominated in a foreign currency, no fluctuation in currency values shall result in a breach of this Section 6.04. In addition, in the event that a Loan Party makes an Investment in an Excluded Subsidiary for purposes of permitting such Excluded Subsidiary or any other Excluded Subsidiary to apply the amounts received by it to make a substantially concurrent Investment (which may be made through any other Excluded Subsidiary) permitted hereunder, such substantially concurrent Investment by such Excluded Subsidiary shall not be included as an Investment for purposes of this Section 6.04 to the extent that the initial Investment by the Loan Party reduced amounts available to make Investments hereunder.

SECTION 6.05. Asset Sales. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will Holdings or the Borrower permit any Subsidiary to issue any additional Equity Interest in such Subsidiary (other than issuing directors' qualifying shares and other than issuing Equity Interests to the Borrower or another Subsidiary in compliance with Section 6.04(c)) (each, a " Disposition "), except:

(a) Dispositions of (i) inventory, (ii) used, obsolete, damaged or surplus equipment and (iii) cash and Permitted Investments, in each case in the ordinary

course of business;

(b) Dispositions to the Borrower or a Subsidiary; provided that any such sales, transfers, leases or other dispositions involving a Subsidiary that is not a Loan Party (i) shall be made in compliance with Sections 6.04 and 6.09 and (ii) shall not, in the case of any sales or transfers of assets by any Loan Party to Foreign Subsidiaries in any fiscal year that are not made as Investments permitted by Section 6.04, involve assets having an aggregate fair market value in excess of $5,750,000;

(c) Dispositions of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business consistent with past practice and not as part of any accounts receivables financing transaction;

(d) Dispositions of assets to the extent that such assets constitutes an Investment referred to in and permitted by clause (g) or (l) of Section 6.04 (in each case, other than Equity Interests in a Subsidiary, unless all Equity Interests in such Subsidiary (other than directors' qualifying shares) are sold);

(e) Sale/Leaseback Transactions permitted by Section 6.06;

(f) Licenses, leases or subleases entered into in the ordinary course of business, to the extent that they do not materially interfere with the business of Holdings, the Borrower or any Subsidiary;

(g) Licenses or sublicenses of intellectual property in the ordinary course of business, to the extent that they do not materially interfere with the business of Holdings, the Borrower or any Subsidiary;

(h) Dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any asset of any of Holdings, the Borrower or any Subsidiary;

(i) Dispositions of assets to the extent that (i) such assets are exchanged for credit against the purchase price of similar replacement assets or (ii) the proceeds of such disposition are promptly applied to the purchase price of such replacement assets;

(j) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements;

(k) The abandonment, cancellation, non-renewal or discontinuance of use or maintenance of intellectual property or rights relating thereto that the Borrower determines in good faith to be desirable to the conduct of its business and not materially disadvantageous to the interests of the Lenders; and

(l) Dispositions of assets (other than Equity Interests in a Subsidiary unless all Equity Interests in such Subsidiary (other than directors' qualifying shares) are sold) that are not permitted by any other clause of this Section; provided that the aggregate fair value of all assets sold, transferred, leased or otherwise disposed of in reliance upon this clause (l) shall not exceed $23,000,000 during any fiscal year of Holdings;

provided that all sales, transfers, leases and other dispositions permitted hereby (other than those permitted by clauses (a), (b), (c), (f), (g), (h), (j) and (k)) shall be made for fair value and in the case of any Dispositions under clause (l) or clause (d) (other than those involving consideration less than $2,875,000) for at least 75% Cash Consideration payable at the time of such sale, transfer or other disposition.

" Cash Consideration " means, in respect of any Disposition by Holdings, the Borrower or any other Subsidiary, (a) cash or Permitted Investments received by it in consideration of such Disposition and (b) any liabilities (as shown on the most recent balance sheet of Holdings provided hereunder or in the footnotes thereto) of Holdings or such Subsidiary, other than liabilities that are by their terms subordinated in right of payment to the Obligations, that are assumed by the transferee with respect to the applicable Disposition and for which Holdings and all of the Subsidiaries shall have been validly released by all applicable creditors (or an authorized agent or representative thereof) in writing.

SECTION 6.06. Sale and Leaseback Transactions. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, enter into any Sale/Leaseback Transaction, except for any such sale of any fixed or capital assets by the Borrower or any Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within 90 days after the Borrower or such Subsidiary acquires or completes the construction of such fixed or capital asset; provided that (a) the sale or transfer of the property thereunder is permitted under Section 6.05, (b) any Capital Lease Obligations arising in connection therewith are permitted under Section 6.01 and (c) any Liens arising in connection therewith (including Liens deemed to arise in connection with any such Capital Lease Obligations) are permitted under Section 6.02.

SECTION 6.07. Hedging Agreements. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, enter into any Hedging Agreement, except (a) Hedging Agreements entered into to hedge or mitigate risks to which Holdings, the Borrower or any Subsidiary has actual exposure (other than those in respect of the Equity Interests or Indebtedness of Holdings, the Borrower or any Subsidiary) and (b) Hedging Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of Holdings, the Borrower or any Subsidiary.

SECTION 6.08. Restricted Payments; Certain Payments of Indebtedness. (a) Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to,

declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that:

(i) The Borrower or any other Subsidiary may declare and pay dividends or make other distributions with respect to its Equity Interests, in each case ratably to the holders of such Equity Interests (or if not ratably, on a basis more favorable to the Borrower and the Loan Parties), provided that dividends paid by the Borrower to Holdings may only be paid at such times and in such amounts (subject to any applicable restrictions set forth below) as are necessary, after taking into account other cash held by Holdings, to enable Holdings to make Restricted Payments permitted to be made by it under this Section 6.08;

(ii) Holdings may declare and pay dividends with respect to its Equity Interests payable solely in shares of Qualified Equity Interests of Holdings;

(iii) Holdings and the Borrower may, and the Borrower may make Restricted Payments to Holdings so that Holdings may, may repurchase, purchase, acquire, cancel or retire for value Equity Interests of Holdings from present or former employees, officers, directors or consultants (or their estates or beneficiaries under their estates) of Holdings or any Subsidiary upon the death, disability, retirement or termination of employment or service of such employees, officers, directors or consultants, or to the extent required, pursuant to employee benefit plans, employment agreements, stock purchase agreements or stock purchase plans, or other benefit plans; provided that the aggregate amount of all Restricted Payments made in reliance on this subsection (iii) shall not exceed $23,000,000 in any Fiscal Year;

(iv) the Borrower may make Restricted Payments to Holdings at such times and in such amounts as shall be necessary, after giving effect to the amount of cash and cash equivalents then otherwise available to Holdings (including through dividends or other distributions from other Subsidiaries), (A) to permit Holdings to discharge its general corporate and overhead expenses (including franchise taxes and directors fees) incurred in the ordinary course of business and other permitted liabilities and (B) to pay the Tax liabilities of Holdings directly attributable to (or arising as a result of) the operations of the Borrower and the other Subsidiaries;

(v) Holdings may make cash payments in lieu of the issuance of fractional shares representing insignificant interests in Holdings in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests in Holdings;

(vi) Holdings and the Borrower may acquire Equity Interests of Holdings upon the exercise of stock options for such Equity Interests of Holdings if such Equity Interests represent a portion of the exercise price of such stock options or in connection with tax withholding obligations arising in connection with the

exercise of options by, or the vesting of restricted Equity Interests held by, any current or former director, officer or employee of Holdings or its Subsidiaries;

(vii) Holdings may convert or exchange any Equity Interests of Holdings for or into Qualified Equity Interests of Holdings;

(viii) so long as no Default shall have occurred and be continuing, (x) Holdings may on any date make Restricted Payments in an amount not in excess of the amount of Qualifying Equity Proceeds available on such date and (y) the Borrower may on any date make Restricted Payments in an amount not in excess of the amount, if any, of Qualifying Equity Proceeds previously distributed to it and not previously applied to Specified Uses (provided , however , that the Borrower shall not, except as permitted by this clause (y), make Restricted Payments to Holdings to enable Holdings to make any Restricted Payment under this clause (viii);

(ix) so long as no Default shall have occurred and be continuing or would result therefrom and no ECF Shortfall Amount is at the time outstanding, Holdings and the Borrower may on any date make (and the Borrower may pay a dividend to Holdings on such date in an amount necessary to permit it to make such) Restricted Payments in an amount equal (A) $17,250,000 plus (B) the Available ECF Amount on such date; provided , however , that at the time of the making of such Restricted Payments and immediately after giving effect to such Restricted Payments made in reliance on subclause (ix)(B), the Total Leverage Ratio on such date, calculated on a Pro Forma Basis to give effect to any such Restricted Payment, is not in excess of 5.00 to 1.00;

(x) after an IPO, Holdings may distribute and redeem rights under any stockholder rights plan;

(xi) any Subsidiary may repurchase its Equity Interests held by minority shareholders or interest holders in a transaction permitted by Section 6.04; and

(xii) the Borrower and Holdings may utilize proceeds of the Loans made on the Effective Date and the term loans made under the First Lien Credit Agreement on the Effective Date to pay the Dividend.

(b) Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Indebtedness, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, defeasance, cancelation or termination of any such Indebtedness, or any other payment (including any payment under any Hedging Agreement) that has a substantially similar effect to any of the foregoing, except:

(i) payments of Indebtedness created under this Agreement or any other Loan Document;

(ii) payments as and when due in respect of any Indebtedness, other than any payments in respect of Subordinated Indebtedness prohibited by the subordination provisions thereof;

(iii) mandatory prepayments of (A) Indebtedness under the First Lien Credit Agreement, (B) Permitted Second Priority Refinancing Indebtedness, (C) Other First Lien Secured Indebtedness and (D) Alternative Incremental Facility Indebtedness, and, in each case, Refinancing Indebtedness in respect thereof;

(iv) prepayments of intercompany Indebtedness permitted hereby owed by Holdings, the Borrower or any Subsidiary to Holdings, the Borrower or any Subsidiary, other than prepayments prohibited by the subordination provisions governing such Indebtedness;

(v) refinancings of Indebtedness with the proceeds of other Indebtedness permitted under Section 6.01;

(vi) payments of secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the assets securing such Indebtedness in transactions permitted hereunder;

(vii) payments of or in respect of Indebtedness made solely with Qualified Equity Interests in Holdings or the conversion of any Indebtedness into Qualified Equity Interests of Holdings; and

(viii) cash expenditures to prepay, purchase, redeem, retire, acquire or defease Indebtedness of Holdings, the Borrower or any Subsidiary not in excess, on the date any such expenditure is made, of an amount equal to the sum of (A) the amount of Qualifying Equity Proceeds available on such date and not previously applied to Specified Uses, plus (B) if there is no ECF Shortfall Amount outstanding and the Total Leverage Ratio on such date, calculated on a Pro Forma Basis to give effect to any such expenditure, is not in excess of 5.25 to 1.00, the Available ECF Amount on such date.

SECTION 6.09. Transactions with Affiliates. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, sell, lease or otherwise transfer any assets to, or purchase, lease or otherwise acquire any assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (i) transactions that are at prices and on terms and conditions not less favorable to Holdings, the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (ii) transactions between or among Loan Parties not involving any other Affiliate, (iii) transactions between or among Subsidiaries that are not Loan Parties not involving any other Affiliate, (iv) loans or advances to employees permitted under Section 6.04, (v) any contribution to the capital of Holdings by General Atlantic or any purchase of Equity Interests (other than Disqualified Equity Interests) in Holdings by General

Atlantic not prohibited by this Agreement, (vi) the payment of reasonable fees to directors of Holdings, the Borrower or any Subsidiary who are not employees of Holdings, the Borrower or any Subsidiary, (vii) compensation, expense reimbursement and indemnification of, and other employment arrangements (including severance arrangements) with, directors, officers and employees of Holdings, the Borrower or any other Subsidiary entered into in the ordinary course of business, (viii) any Restricted Payment permitted by Section 6.08, (ix) sales of Equity Interests to Affiliates to the extent not prohibited under this Agreement; (x) raising of new equity for any Loan Party or Subsidiary with respect to the pricing of such equity in a transaction not otherwise prohibited under this Agreement; (xi) the Dividend; and (xii) any payments or other transactions pursuant to any tax sharing agreement among the Loan Parties and their subsidiaries, provided that any such tax sharing agreement is on terms usual and customary for agreements of that type.

SECTION 6.10. Restrictive Agreements. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of Holdings, the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its assets to secure the Obligations or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary or to Guarantee Indebtedness of the Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to (A) restrictions and conditions imposed by law or by this Agreement or any other Loan Document, (B) restrictions and conditions imposed by the First Lien Credit Agreement as in effect on the date hereof, and (C) restrictions and conditions contained in any agreement or document evidencing or governing Refinancing Indebtedness in respect of the Indebtedness referred to in clause (A) or (B) (including, for the avoidance of doubt, Permitted Second Priority Refinancing Indebtedness), Alternative Incremental Facility Indebtedness, First Lien Alternative Incremental Facility Indebtedness or Refinancing Indebtedness in respect thereof, provided that the restrictions and conditions contained in any such agreement or document referred to in this clause (C) are not less favorable in any material respect to the Lenders than the restrictions and conditions imposed by the First Lien Credit Agreement, or in the case of any agreement or document evidencing or governing Alternative Incremental Facility Indebtedness, Permitted Second Priority Refinancing Indebtedness or Refinancing Indebtedness in respect thereof, this Agreement, (D) in the case of any Subsidiary that is not a wholly-owned Subsidiary, restrictions and conditions imposed by its Organizational Documents or any related joint venture or similar agreements; provided that such restrictions and conditions apply only to such Subsidiary and to the Equity Interests of such Subsidiary, (E) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or any assets of Holdings, the Borrower or any Subsidiary, in each case pending such sale, provided that such restrictions and conditions apply only to such Subsidiary or the assets that are to be sold and, in each case, such sale is permitted hereunder, and (F) restrictions and conditions existing on the date hereof and identified on Schedule 6.10 to the Disclosure Letter (or to any extension or renewal of, or any amendment, modification or replacement not expanding the scope of, any such restriction or condition); and (ii) clause (a) of the

foregoing shall not apply to (A) restrictions and conditions imposed by any agreement relating to secured Indebtedness permitted by clause (vii), (viii), (x), (xi), (xii), (xvi), (xvii), (xviii), (xix), and (xx) of Section 6.01(a) if such restrictions and conditions apply only to the assets securing such Indebtedness, (B) customary provisions in leases, licenses and other agreements restricting the assignment thereof and (C) restrictions imposed by agreements relating to Indebtedness of any Subsidiary in existence at the time such Subsidiary became a Subsidiary and otherwise permitted by Section 6.01, provided that such restrictions apply only to such Subsidiary and its assets (or any special purpose acquisition Subsidiary without material assets acquiring such Subsidiary pursuant to a merger). Nothing in this paragraph shall be deemed to modify the requirements set forth in the definition of the term "Collateral and Guarantee Requirement" or the obligations of the Loan Parties under Sections 5.03, 5.12 or 5.15 or under the Security Documents.

SECTION 6.11. Amendment of Material Documents. Neither Holdings nor the Borrower will, nor will they permit any Subsidiary to, amend, modify, waive, terminate or release (a) its certificate of incorporation, bylaws or other Organizational Documents or (b) any agreement or instrument governing or evidencing any Material Indebtedness, in each case if the effect of such amendment, modification, waiver, termination or release would be adverse in any material respect to the Lenders. Notwithstanding the foregoing, any amendments to or modifications of Material Indebtedness to implement any incremental or refinancing Indebtedness permitted hereby and requiring such an amendment or modification to be so implemented (including for example, amendments to the First Lien Credit Agreement to implement First Lien Incremental Facility Indebtedness) and, for the avoidance of doubt, any amendment or modification of this Agreement or any Loan Document approved in accordance with the terms hereof, shall not be deemed to be adverse in any material respect to the Lenders.

SECTION 6.12. Changes in Fiscal Periods. Holdings will neither (a) permit its fiscal year or the fiscal year of any Subsidiary to end on a day other than December 31, nor (b) change its method of determining fiscal quarters.

ARTICLE VII

Events of Default

SECTION 7.01. Events of Default. If any of the following events (each such event, an " Event of Default ") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied

for a period of five Business Days;

(c) any representation, warranty or statement made or deemed made by or on behalf of Holdings, the Borrower or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other information furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) Holdings or the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), 5.04 (with respect to the existence of Holdings or the Borrower), 5.11 or in Article VI;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause (a), (b) or (d) of this Section), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent or any Lender to the Borrower (with a copy to the Administrative Agent in the case of any such notice from a Lender);

(f) Holdings, the Borrower or any Subsidiary shall fail to make any payment (whether of principal, interest, premium or otherwise and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any grace period applicable on the date on which such payment was initially due);

(g) any event or condition occurs that results in any Material Indebtedness becoming due or being required to be prepaid, repurchased, redeemed or defeased prior to its scheduled maturity or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf, or, in the case of any Hedging Agreement the applicable counterparty, to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity (in each case after expiration of any applicable grace or cure period set forth in the agreement or instrument evidencing or governing such Material Indebtedness) ; provided that this clause (g) shall not apply to (i) any secured Indebtedness that becomes due as a result of the voluntary sale, transfer or other disposition of the assets securing such Indebtedness (to the extent such sale, transfer or other disposition is not prohibited under this Agreement)), (ii) any Indebtedness that becomes due as a result of a voluntary refinancing thereof permitted under Section 6.01, (iii) the occurrence of any conversion or exchange trigger in Indebtedness that is contingently convertible or exchangeable into Equity Interests of Holdings, or (iv) the occurrence of any termination event under any Hedging Agreement other than as a result of any breach or default by Holdings, the Borrower or any Subsidiary and provided , further , that this clause (g) shall not apply to Material Indebtedness

under the First Lien Credit Agreement, Other First Lien Secured Indebtedness or Refinancing Indebtedness in respect of the foregoing that is secured by the Collateral on a first priority basis unless and until (x) the Borrower shall fail to pay any principal or interest on any obligation or any fee or any other amount payable under the First Lien Credit Agreement, such Other First Lien Secured Indebtedness or such Refinancing Indebtedness, when and as the same shall become due and payable (after expiration of any applicable grace or cure period set forth in the First Lien Credit Agreement or applicable to such Other First Lien Secured Indebtedness or Refinancing Indebtedness, as the case may be, (y) any "Event of Default", as defined in the First Lien Credit Agreement or the agreement or instruments governing or evidencing such Other First Lien Secured Indebtedness or Refinancing Indebtedness, as the case may be, has occurred and remains unremedied for a period of 60 days (other than an Event of Default arising out of a breach of the "Financial Covenant" (as defined in the First Lien Credit Agreement) or any analogous financial covenant for the benefit of revolving lenders in such agreements or instruments governing or evidencing such Other First Lien Secured Indebtedness in respect of which the revolving lenders have not taken remedial action to terminate their commitments or accelerate their outstanding loans), or (z) the lenders or holders of the Indebtedness (or a trustee or agent acting on their behalf) under the First Lien Credit Agreement, such Other First Lien Secured Indebtedness or such Refinancing Indebtedness, as the case may be, declare the obligations under the First Lien Credit Agreement, such Other First Lien Secured Indebtedness or such Refinancing Indebtedness to be immediately due and payable;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of Holdings, the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, State or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) Holdings, the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation (other than any liquidation permitted under Section 6.03(a)(iv)), reorganization or other relief under any Federal, State or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding or (v) make a general assignment for the benefit

of creditors, or the board of directors (or similar governing body) of Holdings, the Borrower or any Material Subsidiary (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to above in this clause (i) or in clause (h) of this Section;

(j) one or more judgments for the payment of money in an aggregate amount in excess of $11,500,000 (other than any such judgment covered by insurance (other than under a self-insurance program) to the extent a claim therefor has been made in writing and liability therefor has not been denied by the insurer, so long as such insurer is financially sound) shall be rendered against Holdings, the Borrower, any Material Subsidiary or any combination thereof and the same shall remain undischarged for a period of 45 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of Holdings, the Borrower or any Subsidiary to enforce any such judgment;

(k) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(l) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party not to be, a valid and perfected Lien on any Collateral having, individually or in the aggregate, a fair value in excess of $11,500,000, with the priority required by the applicable Security Document, except as a result of (i) the sale or other disposition of the applicable Collateral in a transaction permitted under the Loan Documents, (ii) the release thereof as provided in Section 9.14 or (iii) as a result of the Administrative Agent's failure to (A) maintain possession of any stock certificate, promissory note or other instrument delivered to it under the Collateral Agreement or (B) file Uniform Commercial Code continuation statements;

(m) any Guarantee purported to be created under any Loan Document shall cease to be, or shall be asserted by any Loan Party not to be, in full force and effect, except as a result of the release thereof as provided in the applicable Loan Document or Section 9.14;

(n) the First Lien/Second Lien Intercreditor Agreement is not or ceases to be binding on or enforceable against any party thereto (or against any Person on whose behalf any such party makes any covenant or agreements therein), or shall otherwise not be effective to create the rights and obligations purported to be created thereunder, in each case except in accordance with its express terms; or

(o) a Change in Control shall occur;

then, and in every such event (other than an event with respect to Holdings or the Borrower described in clause (h) or (i) of this Section), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the

Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part (but ratably as among the Loans at such time outstanding), in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued or owing hereunder, shall become due and payable immediately, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Holdings and the Borrower; and in the case of any event with respect to Holdings or the Borrower described in clause (h) or (i) of this Section, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower hereunder, shall immediately and automatically become due and payable, in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Holdings and the Borrower.

For the purpose of determining whether a Default or Event of Default has occurred under clause (h) or (i) of this Section 7.01, any reference in any such clause to any " Material Subsidiary " shall mean any Subsidiary or group of Subsidiaries affected by any event or circumstances referred to in any such clause that, as of the last day of the most recent completed fiscal quarter of Holdings, had total assets (on a consolidated basis with its or their Subsidiaries) equal to 5% or more of the consolidated total assets of Holdings or had, as of the Test Period ending on the last day of such fiscal quarter, gross revenues (on a consolidated basis with its or their Subsidiaries) equal to 5% or more of the consolidated gross revenues of Holdings, it being agreed that all Subsidiaries affected by any event or circumstance referred to in any such clause shall be considered together, as a single Material Subsidiary, for purposes of determining whether the condition specified above is satisfied.

ARTICLE VIII

The Administrative Agent

Each of the Lenders hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement and its successors to serve as administrative agent and collateral agent under the Loan Documents and authorizes the Administrative Agent to execute and deliver the Loan Documents and to take such actions and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. In addition, to the extent required under the laws of any jurisdiction other than the United States of America, each of the Lenders hereby grants to the Administrative Agent any required powers of attorney to execute any Security Document governed by the laws of such jurisdiction on such Lender's behalf. It is understood and agreed that the use of the term "agent" (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of

any applicable law. Instead, such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Holdings, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or to exercise any discretionary power (including with respect to enforcement and collection), except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion, could expose the Administrative Agent to liability or be contrary to this Agreement or any other Loan Document or applicable law, and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Holdings, the Borrower, any Subsidiary or any other Affiliate of any of the foregoing that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Notwithstanding clause (b) of the immediately preceding sentence, the Administrative Agent shall not be required to take, or to omit to take, any action hereunder or under the Loan Documents unless, upon demand, the Administrative Agent receives an indemnification satisfactory to it from the Lenders (or, to the extent applicable and acceptable to the Administrative Agent, any other Secured Party) against all liabilities, costs and expenses that, by reason of such action or omission, may be imposed on, incurred by or asserted against the Administrative Agent or any Related Person thereof. The Administrative Agent shall not be liable for any action taken or not taken by it under or in connection with this Agreement or any Loan Document, and each Lender and Borrower hereby waives and shall not assert any claim for any action taken or not taken by the Administrative Agent under or in connection with this Agreement or any Loan Document, (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents), (ii) in the absence of its own gross negligence or wilful

misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and nonappealable judgment) or (iii) with respect to any calculations required or done pursuant to Section 2.21. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof (stating that it is a "notice of default") is given to the Administrative Agent by Holdings, the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in this Agreement or any other Loan Document, the financial condition of the Borrower or any other Loan Party, or the occurrence of any Default, (iv) the sufficiency, validity, enforceability, effectiveness or genuineness of this Agreement or any other Loan Document or any other agreement, instrument or document (including those related to the Collateral) or (v) the satisfaction of any condition set forth in Article IV or elsewhere in this Agreement or any other Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent may, at any time, request instructions from the Lenders with respect to whether it should take or refrain from taking any action hereunder (including after an Event of Default), or grant or withhold any approval or consent, and if such instructions are reasonably promptly requested, Administrative Agent shall be absolutely entitled to refrain from taking any action or to withhold any approval or consent and shall not be under any liability whatsoever to any Person for refraining from any action or withholding any approval or consent under this Agreement or any other Loan Document until it shall have received such instructions from Required Lenders or all or such other portion of the Lenders as it deems advisable. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Administrative Agent as a result of Administrative Agent acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of the Required Lenders.

The Administrative Agent shall be entitled to rely, and shall not incur any liability for relying, upon any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed or sent or otherwise authenticated by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof). The Administrative Agent also shall be entitled to rely, and shall not incur any liability for relying, upon any statement made to it orally or by telephone and believed by it to be made by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof), and may act upon any such statement prior to receipt of written confirmation thereof. In determining compliance with any condition hereunder to the making of a Loan, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to

the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any of and all its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents, employees, attorneys-in-fact or other Person (including any Secured Party) appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any of and all their duties and exercise their rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or wilful misconduct in the selection of such sub-agents.

Subject to the terms of this paragraph, the Administrative Agent may resign at any time from its capacity as such. In connection with such resignation, the Administrative Agent shall give notice of its intent to resign to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by Holdings and the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed by Holdings, the Borrower and such successor. Notwithstanding the foregoing, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents; provided that, solely for purposes of maintaining any security interest granted to the Administrative Agent under any Security Document for the benefit of the Secured Parties, the retiring Administrative Agent shall continue to be vested with such

security interest as collateral agent for the benefit of the Secured Parties and, in the case of any Collateral in the possession of the Administrative Agent, shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed and accepts such appointment in accordance with this paragraph (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Security Document, including any action required to maintain the perfection of any such security interest), and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; provided that (i) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (ii) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall also directly be given or made to each Lender. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (a) above.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the Arrangers or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Arrangers or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Each Lender, by delivering its signature page to this Agreement and funding its Loans on the Effective Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, this Agreement and each other Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date.

Except with respect to the exercise of setoff rights of any Lender in accordance with Section 9.08 or with respect to a Lender's right to file a proof of claim in an insolvency proceeding, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee of the Obligations, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms thereof. In the event of a foreclosure by the Administrative

Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition, and the Administrative Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Administrative Agent on behalf of the Secured Parties at such sale or other disposition.

The Secured Parties irrevocably authorize the Administrative Agent, at its option and in its discretion, to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 6.02(a)(vi). The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

In case of the pendency of any proceeding with respect to any Loan Party under any Federal, State or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim under Sections 2.12, 2.13, 2.15, 2.16, 2.17 and 9.03) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender and each other Secured Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders or the other Secured Parties, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03).

Notwithstanding anything herein to the contrary, neither the Arrangers nor any Person named on the cover page of this Agreement as a Co-Syndication Agent or a Documentation Agent shall have any duties or obligations under this Agreement or any other Loan Document (except in its capacity, as applicable, as a Lender), but all such Persons shall have the benefit of the indemnities provided for hereunder.

The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and, except solely to the extent of the Borrower's rights to consent pursuant to and subject to the conditions set forth in this Article, none of Holdings, the Borrower or any Subsidiary shall have any rights as a third party beneficiary of any such provisions. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and the Guarantees of the Obligations provided under the Loan Documents, to have agreed to the provisions of this Article.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (a) General. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) of this Section), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

(i) if to Holdings or the Borrower, to it at 1100 San Leandro Blvd., Suite 400, San Leandro, CA 94577, Attention of William Porter (Tel No. 510-875-7229, Fax No. 510-352-6480);

(ii) if to the Administrative Agent, to Wilmington Trust, National Association, 50 South Sixth Street, Suite 1290, Minneapolis, MN 55402, Attention of Renee Kuhl (Fax No.: 612-217-5651, email: rkuhl@wilmingtontrust.com);

(iii) if to any other Lender, to it at its address (or fax number) set forth in its Administrative Questionnaire.

Notices and communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by fax shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications, to the extent provided in paragraph (b) of this Section, shall be effective as provided in such paragraph.

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet and intranet websites) pursuant to procedures approved by

the Administrative Agent; provided that the foregoing shall not apply to notices under Article II to any Lender if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, Holdings or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications or may be rescinded by any such Person by notice to each other such Person.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment) and (ii) notices and other communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefore; provided that, for both clauses (i) and (ii) above, if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Change of Address, etc. Any party hereto may change its address, email or fax number for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform. Holdings and the Borrower agree that the Administrative Agent may, but shall not be obligated to, make any Communications by posting such Communication on Debt Domain, IntraLinks, SyndTrak or a substantially similar electronic transmission system (the " Platform "). The Platform is provided "as is" and "as available". Neither the Administrative Agent nor any of its Related Parties warrants, or shall be deemed to warrant, as to the adequacy of the Platform and each such Person expressly disclaims any liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made, or shall be deemed to be made, by the Administrative Agent or any of its Related Parties in connection with the Communications or the Platform.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No

waiver of any provision of this Agreement or any other Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Without limiting the generality of the foregoing, the execution and delivery of this Agreement, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time. No notice or demand on Holdings or the Borrower in any case shall entitle Holdings or the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Except as otherwise expressly provided in this Agreement, none of this Agreement, any other Loan Document or any provision hereof or thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by Holdings, the Borrower, the Administrative Agent and the Required Lenders and, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, in each case with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees or prepayment premiums payable hereunder, in each case without the written consent of each Lender affected thereby (in which case the separate consent of the Required Lenders shall not be required), (iii) postpone the scheduled maturity date of any Loan or Refinancing Facility Agreement, or any date for the payment of any interest, fees or prepayment premiums payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby (in which case the separate consent of the Required Lenders shall not be required), (iv) change Section 2.18(b) or 2.18(c) in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender adversely affected thereby, (v) change any of the provisions of this Section or the percentage set forth in the definition of the term "Required Lenders" or any other provision of this Agreement or any other Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or otherwise modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender; provided that, with the consent of the Required Lenders or pursuant to an Incremental Facility Amendment or a Refinancing Facility Agreement, the provisions of this Section and the definition of the term "Required Lenders" may be amended to include references to any new class of loans created under this Agreement (or to lenders extending such loans) on substantially the same basis as the corresponding references relating to the existing Classes of Loans or Lenders, (vi) release or otherwise limit the Guarantee of Holdings under the Collateral Agreement or release or otherwise limit all or substantially all of the value of the Guarantees provided by the Subsidiary Loan Parties (including, in each case, by limiting liability in respect thereof) under the Collateral Agreement, in each case without the written consent of each Lender (except as expressly provided in Section 9.14 or the Collateral Agreement (including any such release by the

Administrative Agent in connection with any sale or other disposition of any Subsidiary upon the exercise of remedies under the Security Documents), it being understood and agreed that an amendment or other modification of the type of obligations guaranteed under the Collateral Agreement shall not be deemed to be a release or limitation of any Guarantee), (vii) release all or substantially all the Collateral from the Liens of the Security Documents without the written consent of each Lender (except as expressly provided in Section 9.14 or the applicable Security Document (including any such release by the Administrative Agent in connection with any sale or other disposition of the Collateral upon the exercise of remedies under the Security Documents), it being understood and agreed that an amendment or other modification of the type of obligations secured by the Security Documents shall not be deemed to be a release of the Collateral from the Liens of the Security Documents), or (viii) change any provisions of this Agreement or any other Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to Lenders holding Loans of any Class differently than those holding Loans of any other Class, without the written consent of Lenders representing a Majority in Interest of each affected Class; provided further that (A) no such agreement shall amend, modify, extend or otherwise affect the rights or obligations of the Administrative Agent without the prior written consent of the Administrative Agent and (B) any waiver, amendment or other modification of this Agreement that by its terms affects the rights or duties under this Agreement of the Lenders of one or more Classes (but not the Lenders of any other Class) may be effected by an agreement or agreements in writing entered into by Holdings, the Borrower and the requisite number or percentage in interest of each affected Class of Lenders that would be required to consent thereto under this Section if such Class of Lenders were the only Class of Lenders hereunder at the time . Notwithstanding any of the foregoing, (1) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any ambiguity, omission, mistake, defect or inconsistency so long as, in each case, the Lenders shall have received at least five Business Days prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment, and (2) this Agreement may be amended to provide for Incremental Term Commitments, Refinancing Term Loan Commitments and Refinancing Term Loans and Permitted Amendments in connection with Loan Modification Offers as provided in Sections 2.21, 2.22 and 2.23, in each case without any additional consents.

(c) In connection with any proposed amendment, modification, waiver or termination (a " Proposed Change ") requiring the consent of all Lenders or all affected Lenders, if the consent of the Required Lenders (and, to the extent any Proposed Change requires the consent of Lenders holding Loans of any Class pursuant to clause (v) of paragraph (b) of this Section, the consent of a majority in interest of the outstanding Loans and unused Commitments of such Class) to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in paragraph (b) of this Section being referred to as a " Non-Consenting Lender "), then, so long as the Lender that is acting as Administrative Agent is not a Non-Consenting Lender, the Borrower may, at its sole expense and effort, upon notice to such Non-Consenting Lender and the

Administrative Agent, require such Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, including, if applicable, the prepayment fee pursuant to Section 2.11(h), (with such assignment being deemed to be an optional prepayment for purposes of determining the applicability of such Section) from the assignee (in the case of such principal and accrued interest and fees (other than any prepayment fee pursuant to Section 2.11(h)) or the Borrower (in the case of all other amounts (including any amount payable pursuant to Section 2.11(h), (iii) the Borrower or such assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 9.04(b), (iv) such assignment does not conflict with applicable law and (v) the assignee shall have given its consent to such Proposed Change and, as a result of such assignment and delegation and any contemporaneous assignments and delegations and consents, such Proposed Change can be effected.

(d) Notwithstanding anything herein to the contrary, the Administrative Agent may (but shall not be obligated to), without the consent of any Secured Party, consent to a departure by any Loan Party from any covenant of such Loan Party set forth in this Agreement, the Collateral Agreement or any other Security Document to the extent such departure is consistent with the authority of the Administrative Agent set forth in the definition of the term “Collateral and Guarantee Requirement”.

(e) The Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute waivers, amendments or other modifications on behalf of such Lender. Any waiver, amendment or other modification effected in accordance with this Section, shall be binding upon each Person that is at the time thereof a Lender and each Person that subsequently becomes a Lender.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) Holdings and the Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Arrangers and their respective Affiliates, including the reasonable fees, charges and disbursements of one primary counsel and one firm of local counsel in each appropriate jurisdiction, in connection with the structuring, arrangement and syndication of the credit facilities provided for herein and any credit or similar facility refinancing or replacing, in whole or in part, any of the credit facilities provided for herein, as well as the preparation, negotiation, execution, delivery and administration of this Agreement, the other Loan Documents or any waiver, amendments or modifications of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all out-of-pocket expenses incurred by the Administrative Agent, the Arrangers or any Lender, including the reasonable fees, charges and disbursements of any counsel for any of the foregoing, in connection with the enforcement or protection of its rights in connection with the Loan

Documents, including its rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans; provided that same shall be limited to (A) one counsel to the Administrative Agent and for the Lenders (taken together as a single group or client), (B) if necessary, one local counsel required in any relevant local jurisdiction and applicable special regulatory counsel and (C) if representation of the Administrative Agent and/or all Lenders in such matter by a single counsel would be inappropriate based on the advice of legal counsel due to the existence of an actual or potential conflict of interest, one additional counsel for the Administrative Agent and for each Lender subject to such conflict.

(b) Holdings and the Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), the Arrangers and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an " Indemnitee "), against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, liabilities and related expenses, including reasonable and documented fees, charges and disbursements of counsel (limited to reasonable fees, disbursements and other charges of one primary counsel for all Indemnitees, taken as a whole, and, if necessary, one firm of local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all Indemnitees, taken as a whole (and, in the case of an actual or perceived conflict of interest, where an Indemnitee affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected Indemnitee)) and other reasonable and documented out-of-pocket expenses, incurred by or asserted against any Indemnitee arising out of, in connection with or as a result of (i) the structuring, arrangement and syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement, the other Loan Documents or any other agreement or instrument contemplated hereby or thereby, the performance by the parties to this Agreement or the other Loan Documents of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby or thereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Materials on, at, to or from any Mortgaged Property or any other property currently or formerly owned or operated by Holdings, the Borrower or any Subsidiary, or any other Environmental Liability related in any way to Holdings, the Borrower or any Subsidiary or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and whether initiated against or by any party to this Agreement or any other Loan Document, any Affiliate of any of the foregoing or any third party (and regardless of whether any Indemnitee is a party thereto); provided that the foregoing indemnity shall not, as to any Indemnitee, apply to any losses, claims, damages, penalties, liabilities or related expenses to the extent they (A) are found in a final and non-appealable judgment of a court of competent jurisdiction to have resulted from the wilful misconduct or gross negligence of such Indemnitee, (B) result from a claim brought by Holdings or any of its Subsidiaries for a material breach of such Indemnitee's obligations under this Agreement or any other Loan Document if Holdings or such Subsidiary has obtained a final and non-appealable judgment of a court of competent jurisdiction in Holdings' or its Subsidiary's favor on such claim as determined

by a court of competent jurisdiction or (C) result from a proceeding that does not involve an act or omission by Holdings, the Borrower or any of their Affiliates and that is brought by an Indemnitee against any other Indemnitee (other than a proceeding that is brought against the Administrative Agent or an Arranger in its capacity as such or in fulfilling its roles as an agent or arranger hereunder or any similar role with respect to the Indebtedness incurred or to be incurred hereunder) . This paragraph shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) To the extent that Holdings and the Borrower fail to indefeasibly pay any amount required to be paid by them under paragraph (a) or (b) of this Section to the Administrative Agent (or any sub-agent thereof) or any Related Party of any of the foregoing (and without limiting their obligation to do so), each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as applicable, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood and agreed that the Borrower's failure to pay any such amount shall not relieve the Borrower of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as applicable, was incurred by or asserted against the Administrative Agent (or such sub-agent) or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. For purposes of this Section, a Lender's "pro rata share" shall be determined based upon its share of the sum of the outstanding Loans and unused Commitments, in each case at that time. The obligations of the Lenders under this paragraph are subject to the last sentence of Section 2.02(a) (which shall apply mutatis mutandis to the Lenders' obligations under this paragraph).

(d) To the fullest extent permitted by applicable law, neither Holdings nor the Borrower shall assert, or permit any of their respective Affiliates or Related Parties to assert, and each hereby waives, any claim against any Indemnitee (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet) or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 9.04. Successors and Assigns. (a) General. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) neither Holdings nor the Borrower may assign, delegate or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and

each Lender (and any attempted assignment, delegation or transfer by Holdings or the Borrower without such consent shall be null and void) and (ii) no Lender may assign, delegate or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section), the Arrangers and, to the extent expressly contemplated hereby, the sub-agents of the Administrative Agent and the Related Parties of any of the Administrative Agent, the Arrangers and any Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign and delegate to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of (A) the Borrower; provided that no consent of the Borrower shall be required (1) for an assignment and delegation to a Lender, an Affiliate of a Lender or an Approved Fund, (2) for an assignment and delegation by any Initial Lender following the Effective Date to any assignees identified to the Borrower prior to the Effective Date in connection with the primary syndication of the Commitments or the Loans or (3) if an Event of Default has occurred and is continuing, for any other assignment and delegation; provided further that the Borrower shall be deemed to have consented to any such assignment and delegation unless it shall object thereto by written notice to the Administrative Agent within five Business Days after having received notice thereof, and (B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment and delegation of all or any portion of a Loan to a Lender, an Affiliate of a Lender or an Approved Fund.

(ii) Assignments and delegations shall be subject to the following additional conditions: (A) except in the case of an assignment and delegation to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment and delegation of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment and delegation (determined as of the trade date specified in the Assignment and Assumption with respect to such assignment and delegation or, if no trade date is so specified, as of the date the Assignment and Assumption with respect to such assignment and delegation is delivered to the Administrative Agent) shall not be less than $1,000,000, unless each of the Borrower and the Administrative Agent otherwise consents (such consent not to be unreasonably withheld or delayed); provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing, (B) each partial assignment and delegation shall be made as an assignment and delegation of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause (B) shall not be construed to prohibit the assignment and delegation of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of

Commitments or Loans, (C) the parties to each assignment and delegation shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500 (except for assignments made pursuant to Section 9.04(b)(i)(A)(2)); provided that (1) only one such processing and recordation fee shall be payable in the event of simultaneous assignments and delegations from any Lender or its Approved Funds to one or more other Approved Funds of such Lender and (2) with respect to any assignment and delegation pursuant to Section 2.19(b) or 9.02(c), the parties hereto agree that such assignment and delegation may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Lender required to make such assignment and delegation need not be a party thereto, and (D) the assignee, if it shall not be a Lender, shall (1) deliver to the Administrative Agent and to the Borrower any tax forms required by Section 2.17(f) and (2) to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain MNPI) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable law, including Federal, State and foreign securities laws.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned and delegated by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned and delegated by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of (and subject to the obligations and limitations of) Sections 2.15, 2.16, 2.17 and 9.03 and to any fees payable hereunder that have accrued for such Lender's account but have not yet been paid). Any assignment, delegation or other transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 9.04(c).

(iv) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the " Register "). The entries in the Register shall be conclusive absent manifest error, and Holdings, the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all

purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and, as to entries pertaining to it or any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon receipt by the Administrative Agent of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and any tax forms required by Section 2.17(f) (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment and delegation required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that the Administrative Agent shall not be required to accept such Assignment and Assumption or so record the information contained therein if the Administrative Agent reasonably believes that such Assignment and Assumption lacks any written consent required by this Section or is otherwise not in proper form, it being acknowledged that the Administrative Agent shall have no duty or obligation (and shall incur no liability) with respect to obtaining (or confirming the receipt) of any such written consent or with respect to the form of (or any defect in) such Assignment and Assumption, any such duty and obligation being solely with the assigning Lender and the assignee. No assignment or delegation shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph and, following such recording, shall be effective notwithstanding any defect in the Assignment and Assumption relating thereto. Each assigning Lender and the assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the Administrative Agent that all written consents required by this Section with respect thereto (other than the consent of the Administrative Agent) have been obtained and that such Assignment and Assumption is otherwise duly completed and in proper form, and each assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the assigning Lender and the Administrative Agent that such assignee is an Eligible Assignee.

(vi) The words "execution", "signed", "signature" and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as applicable, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act or any other similar State laws based on the Uniform Electronic Transactions Act.

(c) Participations. Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more Eligible Assignees (each,

a " Participant ") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and Loans of any Class); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) Holdings, the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant or requires the approval of all the Lenders. Holdings and the Borrower agree that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood and agreed that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment and delegation pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Section 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement or any other Loan Document (the " Participant Register "); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans or its other obligations under this Agreement or any other Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Certain Pledges. Any Lender may, without the consent of the Borrower or the Administrative Agent, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any central bank having jurisdiction over such Lender, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Purchasing Borrower Parties . Notwithstanding anything else to the contrary contained in this Agreement, any Lender may assign all or a portion of its Loans to any Purchasing Borrower Party in accordance with, and subject to the limitations of, Section 2.24 (which assignment will not be deemed to constitute a prepayment of Loans for any purposes of this Agreement or the other Loan Documents).

(f) Purchasing Debt Affiliates. Notwithstanding anything else to the contrary contained in this Agreement, but subject to the provisions and limitations of this Section 9.04(f), any Lender may assign and delegate all or a portion of its Loans to any Purchasing Debt Affiliate; provided that:

(i) the assigning Lender and Purchasing Debt Affiliate purchasing such Lender's Loans, as applicable, shall execute and deliver to the Administrative Agent an Affiliated Assignment and Assumption in lieu of an Assignment and Assumption;

(ii) for the avoidance of doubt, Lenders shall not be permitted to assign or delegate Revolving Commitments or Revolving Exposure to any Purchasing Debt Affiliate;

(iii) no Loan of any Class may be assigned or delegated to a Purchasing Debt Affiliate (other than a Debt Fund Affiliate) pursuant to this paragraph if, after giving effect to such assignment or delegation, Purchasing Debt Affiliates (other than Debt Fund Affiliates) in the aggregate would own in excess of 25% of all Loans of such Class then outstanding;

(iv) the Purchasing Debt Affiliate shall not have any MNPI that either (A) has not been disclosed to the assigning Lender (other than any such Lender that does not wish to receive MNPI) on or prior to the date of the applicable assignment and delegation to such Purchasing Debt Affiliate or (B) if not disclosed to such Lender, could reasonably be expected to have a material effect upon, or otherwise be material (1) to such Lender's decision to assign and delegate its Loans or (2) to the market price of the Loans; and

(v) the requirements of Section 9.04(b) (other than the requirement to deliver an Assignment and Assumption) shall have been satisfied with respect to each such assignment and delegation as if such Purchasing Debt Affiliate were an Eligible Assignee.

Notwithstanding anything to the contrary in this Agreement or any other Loan Document, the aggregate principal amount of Loans of any Class purchased by or assigned to Purchasing Debt Affiliates (other than Debt Fund Affiliates) pursuant to this Section 9.04(f), when taken together with the aggregate principal amount of Loans of such Class purchased by Purchasing Borrower Parties in open market purchases pursuant to Section 2.24, shall not in any event exceed 25% of the initial aggregate principal amount of Loans of such Class (plus, in the event of a subsequent increase in the principal amount of Loans of such Class pursuant to an Incremental Facility, 25% of the initial amount of such increase on the date of consummation of such Incremental Facility) (it being understood that such 25% limitation will be calculated based on such initial principal amounts and the cumulative principal amounts so purchased, regardless of any cancellation of any Loans of such Class purchased (including pursuant to Auction Purchase Offers) or any repayment or prepayment of Loans of such Class).

Notwithstanding anything to the contrary in this Agreement or any other Loan Document, no Purchasing Debt Affiliate (other than a Debt Fund Affiliate that has and maintains information barriers in place restricting the sharing of investment-related and other specific position information between it and General Atlantic with respect to the Purchasing Borrower Parties (excluding general performance information)) shall have any right to (i) attend (including by telephone) any meeting or discussions (or portion thereof) among the Administrative Agent and/or the Lenders to which representatives of Holdings, the Borrower and the Subsidiaries are not invited, (ii) receive any information or material prepared by the Administrative Agent, the Arrangers or any Lender or any communication by or among the Administrative Agent, the Arrangers and/or the Lenders, except to the extent such information or materials have been made available to Holdings, the Borrower, any Subsidiary or their respective representatives (and in any case, other than the right to receive notices of prepayments and other administrative notices in respect of its Loans required to be delivered to Lenders pursuant to Article II) or (iii) make or bring (or participate in, other than as a passive participant in or recipient of its pro rata benefits of) any claim, in its capacity as a Lender, against any of the Administrative Agent, any Issuing Bank or any other Lender with respect to any duties or obligations or alleged duties or obligations of the Administrative Agent, any Issuing Bank or any Lender under this Agreement or any other Loan Document.

Each Purchasing Debt Affiliate (other than any Debt Fund Affiliate), solely in its capacity as a Lender, hereby agrees that if any Loan Party shall be subject to any voluntary or involuntary proceeding commenced under any Debtor Relief Laws (“ Bankruptcy Proceedings ”), (i) such Purchasing Debt Affiliate shall not take any step or action in such Bankruptcy Proceeding to object to, impede or delay the exercise of any right or the taking of any action by the Administrative Agent (or the taking of any action by a third party that is supported by the Administrative Agent) in relation to such Purchasing Debt Affiliate’s claim with respect to its Loans (a “ Claim ”) (including objecting to any debtor in possession financing, use of cash collateral, grant of adequate protection, sale or disposition, compromise, or plan of reorganization) so long as such Purchasing Debt Affiliate is treated in connection with such exercise or action on the same or better terms as the other Lenders and (ii) with respect to any matter requiring the vote of Lenders during the pendency of a Bankruptcy Proceeding (including voting on

any plan of reorganization), the Loans held by such Purchasing Debt Affiliate (and any Claim with respect thereto) shall be deemed to have voted its interest as a Lender without discretion in the same proportion as the allocation of voting with respect to such matter by Lenders who are not Purchasing Debt Affiliates, so long as such Purchasing Debt Affiliate is treated in connection with the exercise of such right or taking of such action on the same or better terms as the other Lenders. For the avoidance of doubt, the Lenders and each Purchasing Debt Affiliate agree and acknowledge that the provisions set forth in this paragraph, and the related provisions set forth in each Affiliated Assignment and Assumption, constitute a "subordination agreement" as such term is contemplated by, and utilized in, Section 510(a) of the Bankruptcy Code, and, as such, would be enforceable for all purposes in any case where a Loan Party has filed for protection under any Debtor Relief Law applicable to the Loan Party (it being understood and agreed that the foregoing shall not cause the Loans held by any Purchasing Debt Affiliate to be subordinated in right of payment to any other Obligations).

Furthermore, notwithstanding anything in Section 9.02 or the definition of the term "Required Lenders" to the contrary, (a) for purposes of determining whether the Required Lenders or any other requisite Class vote required by this Agreement have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of this Agreement or any other Loan Document or any departure by any Loan Party therefrom, (ii) otherwise acted on any matter related to this Agreement or any other Loan Document or (iii) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under this Agreement or any other Loan Document, all Loans held by any Purchasing Debt Affiliate (other than a Debt Fund Affiliate) shall be deemed to be not outstanding for all purposes of calculating whether the Required Lenders or the requisite vote of any Class of Lenders have taken any actions and (b) with respect to any amendment, modification, waiver, consent or other action with respect to any of the terms of this Agreement or any other Loan Document that requires the consent of all, or all affected, Lenders, the Loans held by any such Purchasing Debt Affiliate shall be deemed to be outstanding only if such amendment, modification, waiver, consent or other action would have a disproportionately adverse effect on such Purchasing Debt Affiliate.

Notwithstanding the foregoing or anything in Section 9.02 or the definitions of the terms "Required Lenders" and "Majority in Interest" to the contrary, a Debt Fund Affiliate will not be subject to the voting limitations set forth in the preceding two paragraphs and will be entitled to vote in the same manner as Lenders that are not Purchasing Debt Affiliates; provided , however , that in connection with any Required Lender vote or any vote requiring the approval of a Majority in Interest of the Loans of any Class, Debt Fund Affiliates may not, in the aggregate, account for more than 49.9% of the amounts included in determining whether the Required Lenders or a Majority in Interest of such Class have consented to any amendment or waiver (and for purposes of the foregoing, any amounts in excess of such percentage held by Debt Fund Affiliates shall be deemed to be not outstanding for purposes of calculating the Required Lenders or Majority in Interest of such Class).

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in this Agreement and the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the other Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Arrangers, any Lender or any Affiliate of any of the foregoing may have had notice or knowledge of any Default or incorrect representation or warranty at the time this Agreement or any other Loan Document is executed and delivered or any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17, 2.18(e) and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment or prepayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or the syndication of the Loans and Commitments constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile transmission or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand,

provisional or final, in whatever currency) or other amounts at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of Holdings or the Borrower against any of and all the obligations then due of Holdings or the Borrower now or hereafter existing under this Agreement held by such Lender or any such Affiliates, irrespective of whether or not such Lender or any such Affiliate shall have made any demand under this Agreement and although such obligations of Holdings or the Borrower are owed to a branch or office of such Lender or any such Affiliate different from the branch or office holding such deposit or obligated on such Indebtedness. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give or any delay in giving such notice shall not affect the validity of any such setoff and application under this Section. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender and any such Affiliate may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York.

(a) Each of Holdings and the Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender or any Related Party of any of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits, for itself and its property, to the jurisdiction of such courts and agrees that all claims in respect of any action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each party hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action, litigation or proceeding relating to this Agreement or any other Loan Document against any Loan Party or any of its properties in the courts of any jurisdiction.

(b) Each of Holdings and the Borrower hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action, litigation or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby

irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Related Parties, including accountants, legal counsel and other agents and advisors, it being understood and agreed that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential, (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing confidentiality undertakings substantially similar to those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its Related Parties) to any Hedging Agreement relating to Holdings, the Borrower or any Subsidiary and its

obligations hereunder or under any other Loan Document, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities provided for herein, (h) with the consent of the Borrower or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Lender or any Affiliate of any of the foregoing on a nonconfidential basis from a source other than Holdings or the Borrower. For purposes of this Section, " Information " means all information received from Holdings or the Borrower relating to Holdings, the Borrower or any Subsidiary or their businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by Holdings or the Borrower; provided that, in the case of information received from Holdings or the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively the " Charges "), shall exceed the maximum lawful rate (the " Maximum Rate ") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.14. Release of Liens and Guarantees. Subject to the reinstatement provisions set forth in the Collateral Agreement, a Subsidiary Loan Party shall automatically be released from its obligations under the Loan Documents, and all security interests created by the Security Documents in Collateral owned by such Subsidiary Loan Party shall be automatically released, upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary Loan Party ceases to be a Subsidiary; provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. Upon any sale or other transfer by any Loan Party (other than to Holdings, the Borrower or any other Loan Party) of any Collateral in a transaction permitted under this Agreement, or upon the effectiveness of any written consent to the release of the security interest created under any Security Document in any Collateral

pursuant to Section 9.02, the security interests in such Collateral created by the Security Documents shall be automatically released. In connection with any termination or release pursuant to this Section, the Administrative Agent shall execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent. Each of the Secured Parties irrevocably authorizes the Administrative Agent, at its option and in its discretion, to effect the releases set forth in this Section.

SECTION 9.15. USA Patriot Act Notice. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Loan Party that, pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the USA Patriot Act, and each Loan Party agrees to provide such information from time to time to such Lender and the Administrative Agent, as applicable.

SECTION 9.16. No Fiduciary Relationship. Each of Holdings and the Borrower, on behalf of itself and its subsidiaries, agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection therewith, Holdings, the Borrower, the Subsidiaries and their respective Affiliates, on the one hand, and the Administrative Agent, the Arrangers, the Lenders and their respective Affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Administrative Agent, the Lenders or their Affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications. The Administrative Agent, the Arrangers, the Lenders and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of Holdings, the Borrower, the Subsidiaries and their respective Affiliates, and none of the Administrative Agent, the Arrangers, the Lenders or any of their respective Affiliates has any obligation to disclose any of such interests to Holdings, the Borrower, the Subsidiaries or any of their respective Affiliates. To the fullest extent permitted by law, each of Holdings and the Borrower hereby waives and releases any claims that it or any of its Affiliates may have against the Administrative Agent, the Arrangers, the Lenders or any of their respective Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.17. Non-Public Information. (a) Each Lender acknowledges that all information, including requests for waivers and amendments, furnished by Holdings, the Borrower or the Administrative Agent pursuant to or in connection with, or in the course of administering, this Agreement will be syndicate-level information, which may contain MNPI. Each Lender represents to Holdings, the Borrower and the Administrative Agent that (i) it has developed compliance procedures regarding the use

of MNPI and that it will handle MNPI in accordance with such procedures and applicable law, including Federal, State and foreign securities laws, and (ii) it has identified in its Administrative Questionnaire a credit contact who may receive information that may contain MNPI in accordance with its compliance procedures and applicable law, including Federal, State and foreign securities laws.

(b) Holdings, the Borrower and each Lender acknowledge that, if information furnished by Holdings or the Borrower pursuant to or in connection with this Agreement is being distributed by the Administrative Agent through the Platform, (i) the Administrative Agent may post any information that Holdings or the Borrower has indicated as containing MNPI solely on that portion of the Platform as is designated for Private Side Lender Representatives and (ii) if Holdings or the Borrower has not indicated whether any information furnished by it pursuant to or in connection with this Agreement contains MNPI, the Administrative Agent reserves the right to post such information solely on that portion of the Platform as is designated for Private Side Lender Representatives. Each of Holdings and the Borrower agrees to clearly designate all information provided to the Administrative Agent by or on behalf of Holdings or the Borrower that is suitable to be made available to Public Side Lender Representatives, and the Administrative Agent shall be entitled to rely on any such designation by Holdings and the Borrower without liability or responsibility for the independent verification thereof.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

TRINET HR CORPORATION, as Borrower,

by
/s/ William Porter
Name: William Porter
Title: Vice President and CFO

TRINET GROUP, INC.

by
/s/ Burton M. Goldfield
Name: Burton M. Goldfield
Title: President and CEO

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Administrative Agent,

by
/s/ Renee Kuhl
Name: Renee Kuhl
Title: Vice President

LENDERS UNDER THE CREDIT AGREEMENT

JPMORGAN CHASE BANK, N.A.

by
/s/ Robert D. Bryant
Name: Robert D. Bryant
Title: Vice President

Schedule 1.01B

DISQUALIFIED LENDERS

None.

Schedule 2.01

COMMITMENTS

Lender	Term Commitment
JPMorgan Chase Bank, N.A.	$ 190,000,000

Schedule 5.15

POST-CLOSING MATTERS

1. Entry into Control Agreements for Deposit Accounts and Securities Accounts, in each case to the extent required by paragraph (f) of the definition of "Collateral and Guarantee Requirement".

2. Entry into a Foreign Pledge Agreement granting a Lien on the Equity Interests of Archimedes (to the extent required by paragraph (b) of the definition of "Collateral and Guarantee Requirement") governed by the law of Bermuda.

3. Entry into the Intercompany Note.

4. Entry into the Intercompany Subordination Agreement.

[FORM OF] ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this " Assignment and Assumption ") is dated as of the Assignment Effective Date set forth below and is entered into by and between the Assignor (as defined below) and the Assignee (as defined below). Capitalized terms used but not defined herein shall have the meanings given to them in the Second Lien Credit Agreement identified below (the " Second Lien Credit Agreement "), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions referred to above and the Second Lien Credit Agreement, as of the Assignment Effective Date inserted by the Administrative Agent as contemplated below, (a) all of the Assignor's rights and obligations in its capacity as a Lender under the Second Lien Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any Guarantees included in such facilities) and (b) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Second Lien Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (a) above (the rights and obligations sold and assigned pursuant to clauses (a) and (b) above being referred to herein collectively as the " Assigned Interest "). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____
2. Assignee: _____[and is [a Lender] [an Affiliate/Approved Fund of [Identify Lender]] [an Eligible Assignee]] [1]
3. Borrower: TriNet HR Corporation
4. Administrative Agent: Wilmington Trust, National Association, as the Administrative Agent under the Second Lien Credit Agreement

[1] Select as applicable.

5. Second Lien Credit Agreement: The Second Lien Credit Agreement dated as of August 20, 2013, among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc., (" Holdings "), the Lenders from time to time party thereto and Wilmington Trust, National Association, as Administrative Agent, as amended, supplemented or otherwise modified as of the date hereof

6. Assigned Interest: [2]

Facility Assigned	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/ Loans [3]
Term Commitment/ Loans	$	$	%
[ ] [4]	$	$	%

Assignment Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR]

The Assignee, if not already a Lender, agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain MNPI) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable law, including Federal, state and foreign securities laws.

[2] Must comply with the minimum assignment amount set forth in Section 9.04(b)(ii)(A) of the Second Lien Credit Agreement, to the extent such minimum assignment amounts are applicable.

[3] Set forth, to at least nine decimals, as a percentage of the Commitments/Loans of all Lenders, Incremental Term Lenders or Refinancing Term Lenders of any Series, as applicable.

[4] In the event Incremental Term Commitments/Incremental Term Loans or Refinancing Term Commitments/Refinancing Term Loans of any Series are established under Section 2.21 or Section 2.22 of the Second Lien Credit Agreement, as applicable, refer to the Series of such Incremental Term Commitments/Incremental Term Loans or Refinancing Term Loan Commitments/Refinancing Term Loans assigned, as applicable.

The terms set forth in this Assignment and Assumption are hereby agreed to:

[NAME OF ASSIGNOR], as
Assignor,

by

Name:

Title:

[NAME OF ASSIGNEE], as
Assignee,

by

Name:

Title:

[Consented to and] [1] Accepted:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Administrative Agent,

by

_____
Name:
Title:

[Consented to:] [2]

[TRINET HR CORPORATION, as Borrower,]

by

_____
Name:
Title:

[1] To be included only if the consent of the Administrative Agent is required by Section 9.04(b)(i)(B) or 9.04(b)(ii)(A) of the Second Lien Credit Agreement.

[2] To be included only if the consent of the Borrower is required by Section 9.04(b)(i)(A) or 9.04(b)(ii)(A) of the Second Lien Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Second Lien Credit Agreement or any other Loan Document, other than statements made by it herein, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of Holdings, the Borrower, any other Subsidiary or any other Affiliate of Holdings or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by Holdings, the Borrower, any other Subsidiary or any other Affiliate of Holdings or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Second Lien Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Second Lien Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Assignment Effective Date, it shall be bound by the provisions of the Second Lien Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Second Lien Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof (or, prior to the first such delivery, the financial statements referred to in Section 3.04 thereof), and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent, the Assignor or any other Lender, (v) if it is a Lender that is a U.S. Person, attached to this Assignment and Assumption is an executed original of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax, (vi) if it is a Foreign Lender, attached to this Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Second Lien Credit Agreement (including Section 2.17(f) thereof), duly completed and executed by the Assignee, and (vii) it does not bear a relationship to Holdings or the Borrower as described in Section 108(e)(4) of the Code; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under

the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Assignment Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to or on or after the Assignment Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Assignment Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by and construed in accordance with the laws of the State of New York.

[FORM OF] AFFILIATED ASSIGNMENT AND ASSUMPTION

This Affiliated Assignment and Assumption (this " Assignment and Assumption ") is dated as of the Assignment Effective Date set forth below and is entered into by and between the Assignor (as defined below) and the Assignee (as defined below). Capitalized terms used but not defined herein shall have the meanings given to them in the Second Lien Credit Agreement identified below (the " Second Lien Credit Agreement "), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions referred to below and the Second Lien Credit Agreement, as of the Assignment Effective Date inserted by the Administrative Agent as contemplated below, (a) all of the Assignor's rights and obligations in its capacity as a Lender under the Second Lien Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any Guarantees included in such facilities) and (b) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Second Lien Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (a) above (the rights and obligations sold and assigned pursuant to clauses (a) and (b) above being referred to herein collectively as the " Assigned Interest "). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____
2. Assignee: _____
   [and is a [Purchasing Borrower Party][Purchasing Debt Affiliate]] [1]
3. Borrower: TriNet HR Corporation
4. Administrative Agent: Wilmington Trust, National Association, as the Administrative Agent under the Second Lien Credit Agreement

[1] Select as applicable.

5. Second Lien Credit Agreement: The Second Lien Credit Agreement dated as of August 20, 2013, among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc. (" Holdings "), the Lenders from time to time party thereto and Wilmington Trust, National Association, as Administrative Agent, as amended, supplemented or otherwise modified as of the date hereof

6. Assigned Interest: [2]

Facility Assigned	Aggregate Amount of Commitment/Loans of all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/ Loans [3]
Term Commitment/ Loans	$	$	%
[ ] [4]	$	$	%

Assignment Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR]

The Assignee, if not already a Lender, agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain MNPI) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable law, including Federal, state and foreign securities laws.

[2] Must comply with the minimum assignment amounts set forth in Section 9.04(b)(ii)(A) of the Second Lien Credit Agreement, to the extent such minimum assignment amounts are applicable.

[3] Set forth, to at least nine decimals, as a percentage of the Commitments/Loans of all Lenders or Incremental Term Lenders of the applicable Class.

[4] In the event Incremental Term Commitments/Incremental Term Loans or Refinancing Term Loan Commitments/Refinancing Term Loans of any Series are established under Section 2.21 or Section 2.22 of the Second Lien Credit Agreement, as applicable, refer to the Series of such Incremental Term Commitments/Incremental Term Loans or Refinancing Term Loan Commitments/Refinancing Term Loans assigned, as applicable.

The terms set forth above are hereby agreed to:

, as Assignor,

by

Name:
Title:

, as Assignee, [5]

by

Name:
Title:

[Consented to and] [6] Accepted:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent,

by

Name:
Title:

[Consented to:] [7]

[TRINET HR CORPORATION,]

by

Name:
Title:

[5] The Assignee must deliver to the Borrower all applicable Tax forms required to be delivered by it under the Second Lien Credit Agreement, including Section 2.17(f) thereof.

[6] To be included only if the consent of the Administrative Agent is required by Section 9.04(b)(i)(B) or 9.04(b)(ii)(A) of the Second Lien Credit Agreement.

[7] To be included only if the consent of the Borrower is required by 9.04(b)(i)(A) or 9.04(b)(ii)(A) of the Second Lien Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR
AFFILIATED ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Second Lien Credit Agreement or any other Loan Document, other than statements made by it herein, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of Holdings, the Borrower, any Subsidiary or any other Affiliate of Holdings or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by Holdings, the Borrower, any Subsidiary or any other Affiliate of Holdings or any other Person of any of their respective obligations under any Loan Document; and (c) acknowledges that the Assignee is a [Purchasing Borrower Party][Purchasing Debt Affiliate].

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Second Lien Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Second Lien Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) it is a [Purchasing Borrower Party] [Purchasing Debt Affiliate], (iv) as of the date hereof the Assignee does not have any MNPI that either (A) has not been disclosed to the Assignor (other than because the Assignor does not wish to receive MNPI) on or prior to the date hereof or (B) if not disclosed to the Assignor, could reasonably be expected to have a material effect upon, or otherwise be material to, (1) the Assignor's decision to make the assignment effectuated hereby or (2) the market price of the Loans to be assigned hereunder, (v) from and after the Effective Date, it shall be bound by the provisions of the Second Lien Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (vi) it has received a copy of the Second Lien Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof (or, prior to the first such delivery, the financial statements referred to in Section 3.04 thereof), and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent, the Assignor or any other Lender, (vii) it is not a Purchasing Borrower Party or, if it is a Purchasing Borrower Party, the Borrower has delivered to the Auction Manager an officer's certificate of its Financial Officer certifying as to compliance with clauses (i), (v), (vi), (vii) and (ix) of Section 2.24(a) of

the Second Lien Credit Agreement, (viii) if it is a Lender that is a U.S. Person, attached to this Assignment and Assumption is an executed original of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax and (ix) if it is a Foreign Lender, attached to this Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Second Lien Credit Agreement (including Section 2.17(f) thereof), duly completed and executed by the Assignee, and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. [Payments. From and after the Assignment Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to or on or after the Assignment Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Assignment Effective Date or with respect to the making of this assignment directly between themselves.] [14]

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by and construed in accordance with the laws of the State of New York.

[14] To be included if the Assignee is a Purchasing Debt Affiliate.

EXHIBIT B

[FORM OF] BORROWING REQUEST

[Date]

Wilmington Trust, National Association,
as Administrative Agent
520 Madison Avenue
New York, NY 10022-4213
Attention: Chris Monigle
Fax: 212.415.0513

Ladies and Gentlemen:

Reference is made to the Second Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Second Lien Credit Agreement "), among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc., the Lenders from time to time party thereto and Wilmington Trust, National Association, as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Second Lien Credit Agreement. This notice constitutes a Borrowing Request and the Borrower hereby gives you notice, pursuant to Section 2.03 of the Second Lien Credit Agreement, that it requests a Borrowing under the Second Lien Credit Agreement, and in connection therewith specifies the following information with respect to such Borrowing:

(A) Class of Borrowing: [15]

(B) Aggregate principal amount of Borrowing : [16]
$

(C) Date of Borrowing (which is a Business Day):

(D) Type of Borrowing: [17]

(E) Interest Period and the last day thereof: [18]

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[15] Specify Term Borrowing, Incremental Term Borrowing or Refinancing Term Loan Borrowing, and if an Incremental Term Borrowing or Refinancing Term Loan Borrowing, specify the Series.

[16] Must comply with Section 2.02(c) of the Credit Agreement.

[17] Specify ABR Borrowing or Eurodollar Borrowing. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing.

[18] Applicable to Eurodollar Borrowings only, shall be subject to the definition of "Interest Period" and can be a period of one, two, three or six months (or, to the extent made available by all Lenders participating in the requested Borrowing, twelve months). If an Interest Period is not specified, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(F) Location and number of the Borrower's account to which proceeds of the requested Borrowing are to be disbursed: [Name of Bank] (Account No.:)

The Borrower hereby certifies that the conditions specified in Section 4.01 of the Second Lien Credit Agreement have been satisfied.

Very truly yours,

TRINET HR CORPORATION,

By:_____
Name:
Title:

AUCTION PROCEDURES

This Exhibit C is intended to summarize certain basic terms of the modified Dutch auction procedures pursuant to and in accordance with the terms and conditions of Section 2.24 of the Second Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Second Lien Credit Agreement "), among TriNet HR Corporation, TriNet Group, Inc., the Lenders from time to time party thereto and Wilmington Trust, National Association, as Administrative Agent (the " Administrative Agent "). This Exhibit C is not intended to be a definitive statement of all of the terms and conditions of a modified Dutch auction, the definitive terms and conditions for which shall be set forth in the applicable offering document. None of the Administrative Agent, the Auction Manager, or any of their Affiliates makes any recommendation pursuant to any offering document as to whether or not any Lender should sell its Loans to a Purchasing Borrower Party pursuant to any offering documents, nor shall the decision by the Administrative Agent or the Auction Manager (or any of their Affiliates) in its capacity as a Lender to sell its Loans to a Purchasing Borrower Party be deemed to constitute such a recommendation. Each Lender should make its own decision as to whether to sell any of its Loans and as to the price to be sought for such Loans. In addition, each Lender should consult its own attorney, business advisor or tax advisor as to legal, business, tax and related matters concerning each Auction Purchase Offer and the relevant offering documents. Capitalized terms not otherwise defined in this Exhibit C have the meanings assigned to them in the Second Lien Credit Agreement.

1. Notice Procedures. In connection with each Auction Purchase Offer, the applicable Purchasing Borrower Party will provide notification to the Auction Manager (for distribution to the Lenders of the applicable Class(es)) of the Class or Classes of Loans (as determined by such Purchasing Borrower Party in its sole discretion) that will be the subject of such Auction Purchase Offer (each, an " Auction Notice "). Each Auction Notice shall contain (i) the maximum principal amount (calculated on the face amount thereof) of each Class of Loans that the applicable Purchasing Borrower Party offers to purchase in such Auction Purchase Offer (the " Auction Amount "), which shall be no less than $10,000,000 (across all such Classes) (unless a lesser amount is agreed to by the Administrative Agent in its reasonable discretion); (ii) the range of discounts to par (the " Discount Range "), expressed as a range of prices (in increments of $5) per $1,000, at which such Purchasing Borrower Party would be willing to purchase Loans of each applicable Class in such Auction Purchase Offer; and (iii) the date on which such Auction Purchase Offer will conclude (which date shall not be fewer than three Business Days following the distribution of the Auction Notice to the Lenders of the applicable Class(es)), on which date Return Bids (as defined below) will be due by 1:00 p.m., New York City time (as such date and time may be extended by the Auction Manager, the " Expiration Time "). Such Expiration Time may be extended for a period not exceeding three Business Days upon notice by the Purchasing Borrower Party to the Auction Manager received not less than 24 hours before the original Expiration Time; provided , that only two extensions per offer shall be permitted (unless otherwise approved by the Auction Manager prior to the date of the applicable Auction Purchase Offer). An Auction Purchase Offer shall be regarded as a "failed purchase offer" in the event that either (x) the applicable Purchasing Borrower Party withdraws such Auction Purchase Offer in accordance with the terms hereof or as set forth in Section 2.24(b) of the Second Lien Credit Agreement or (y) the Expiration Time occurs with no Qualifying Bids (as defined below) having been received. In the event of a failed purchase offer, no Purchasing Borrower Party shall be permitted to deliver a new Auction Notice prior to the date occurring three Business Days after such withdrawal or Expiration Time, as the case may be. Notwithstanding anything to the contrary contained herein, the applicable Purchasing Borrower Party shall not initiate any Auction Purchase Offer by delivering an Auction Notice to the Auction Manager until after the conclusion (whether successful or failed) of the

previous Auction Purchase Offer (if any), whether such conclusion occurs by withdrawal of such previous Auction Purchase Offer or the occurrence of the Expiration Time of such previous Auction Purchase Offer.

2. Reply Procedures. In connection with any Auction Purchase Offer, each Lender of the Loans of the applicable Class(es) wishing to participate in such Auction Purchase Offer shall, prior to the Expiration Time, provide the Auction Manager with a notice of participation, in the form included in the applicable offering document (each, a " Return Bid ") which shall specify (i) a discount to par that must be expressed as a price (in increments of $5) per $1,000 in principal amount of Loans (the " Reply Price ") of the applicable Class(es) within the Discount Range and (ii) the principal amount of Loans of the applicable Class(es), in an amount not less than $1,000,000 or an integral multiple of $1,000 in excess thereof, that such Lender offers for sale at its Reply Price (the " Reply Amount "). A Lender may submit a Reply Amount that is less than the minimum amount and incremental amount requirements described above only if the Reply Amount comprises the entire amount of the Loans of the applicable Class(es) held by such Lender. Lenders may only submit one Return Bid per Class per Auction Purchase Offer, but each Return Bid may contain up to three component bids, each of which may result in a separate Qualifying Bid and each of which will not be contingent on any other component bid submitted by such Lender resulting in a Qualifying Bid. In addition to the Return Bid, the participating Lender must execute and deliver, to be held in escrow by the Auction Manager, an Affiliated Assignment and Assumption. No Purchasing Borrower Party will purchase any Loans at a price that is outside of the applicable Discount Range, nor will any Return Bids (including any component bids specified therein) submitted at a price that is outside such applicable Discount Range be considered in any calculation of the Applicable Threshold Price (as defined below).

3. Acceptance Procedures. Based on the Reply Prices and Reply Amounts received by the Auction Manager, the Auction Manager, in consultation with the applicable Purchasing Borrower Party, will calculate the lowest purchase price (the " Applicable Threshold Price ") for such Auction Purchase Offer within the Discount Range for such Auction Purchase Offer that will allow such Purchasing Borrower Party to complete the Auction Purchase Offer by purchasing the full Auction Amount (or such lesser amount of Loans for which such Purchasing Borrower Party has received Qualifying Bids). Subject to the conditions contained in the Auction Notice, the applicable Purchasing Borrower Party shall purchase Loans of the applicable Class(es) from each Lender whose Return Bid is within the Discount Range and contains a Reply Price that is equal to or less than the Applicable Threshold Price (each, a " Qualifying Bid "). All Term Loans of the applicable Class included in Qualifying Bids (including multiple component Qualifying Bids contained in a single Return Bid) received at a Reply Price lower than the Applicable Threshold Price will be purchased at such applicable Reply Prices and shall not be subject to proration. Each participating Lender will receive notice of a Qualifying Bid as soon as reasonably practicable but in no case later than five business days from the date of the Expiration Time.

4. Proration Procedures. All Loans offered in Return Bids (or, if applicable, any component bid thereof) constituting Qualifying Bids at the Applicable Threshold Price will be purchased at the Applicable Threshold Price; provided that if the aggregate principal amount of all Loans of the applicable Class(es) for which Qualifying Bids have been submitted in any given Auction Purchase Offer at the Applicable Threshold Price would exceed the remaining portion of the Auction Amount (after deducting all Loans of the applicable Class(es) to be purchased at prices below the Applicable Threshold Price), the applicable Purchasing Borrower Party shall purchase such Loans ratably based on the relative principal amounts offered by each Lender in an aggregate amount equal to the amount necessary to complete the purchase of the Auction Amount. No Return Bids or any component bid thereof will be accepted above the Applicable Threshold Price.

5. Notification Procedures. The Auction Manager will calculate the Applicable Threshold Price and post the Applicable Threshold Price and proration factor onto an internet or intranet site (including an IntraLinks, SyndTrak or other electronic workspace) in accordance with the Auction Manager's standard dissemination practices by 4:00 p.m. New York City time on the Business Day during which the Expiration Time occurs. The Auction Manager will insert the principal amount of Loans of the applicable Class to be assigned and the applicable settlement date into each applicable Affiliated Assignment and Assumption received in connection with a Qualifying Bid. Upon the request of the

submitting Lender, the Auction Manager will promptly return any Affiliated Assignment and Assumption received in connection with a Return Bid that is not a Qualifying Bid.

6. Additional Procedures. Once initiated by an Auction Notice, the applicable Purchasing Borrower Party may withdraw an Auction Purchase Offer only if no Qualifying Bid has been received by the Auction Manager at the time of withdrawal. Any Return Bid (including any component bid thereof) delivered to the Auction Manager may not be withdrawn, modified, revoked, terminated or canceled by a Lender. However, an Auction Purchase Offer may become void if the conditions to the purchase set forth in Section 2.24 of the Second Lien Credit Agreement are not met. The purchase price in respect of each Qualifying Bid for which purchase by such Purchasing Borrower Party is required in accordance with the foregoing provisions shall be paid directly by such Purchasing Borrower Party to the respective assigning Lender on a settlement date as determined jointly by such Purchasing Borrower Party and the Auction Manager (which shall be not later than ten Business Days after the date Return Bids are due). The applicable Purchasing Borrower Party shall execute each applicable Affiliated Assignment and Assumption received in connection with a Qualifying Bid. All questions as to the form of documents and eligibility of Loans that are the subject of an Auction Purchase Offer will be determined by the Auction Manager, in consultation with the applicable Purchasing Borrower Party, and their determination will be final and binding so long as such determination is not inconsistent with the terms of Section 2.24 of the Second Lien Credit Agreement or this Exhibit C . The Auction Manager's interpretation of the terms and conditions of the offering document, in consultation with the applicable Purchasing Borrower Party, will be final and binding so long as such interpretation is not inconsistent with the terms of Section 2.24 of the Second Lien Credit Agreement or this Exhibit C . None of the Administrative Agent, the Auction Manager or any of their Affiliates assumes any responsibility for the accuracy or completeness of the information concerning the applicable Purchasing Borrower Party, the Loan Parties, or any of their Affiliates (whether contained in an offering document or otherwise) or for any failure to disclose events that may have occurred and may affect the significance or accuracy of such information. This Exhibit C shall not require any Purchasing Borrower Party to initiate any Auction Purchase Offers.

EXHIBIT D

[FORM OF] SECOND LIEN GUARANTEE AND COLLATERAL AGREEMENT

THIS SECOND LIEN GUARANTEE AND COLLATERAL AGREEMENT (this " Agreement ") is entered into as of August 20, 2013, among TRINET HR CORPORATION, a California corporation (the " Borrower "), TRINET GROUP, INC., a Delaware corporation (" Holdings "), and the other parties identified as "Grantors" on the signature pages hereto and such other parties that may become Grantors hereunder after the date hereof (together with the Borrower, individually a " Grantor ", and collectively the " Grantors ") and WILMINGTON TRUST, NATIONAL ASSOCIATION, in its capacity as administrative agent and collateral agent (in such capacity, the " Collateral Agent ") for the Secured Parties.

Reference is made to the Second Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement "), among the Borrower, Holdings, the Lenders party thereto and Wilmington Trust, National Association, as administrative agent. The Lenders have agreed to extend credit to the Borrower subject to the terms and conditions set forth in the Credit Agreement. The obligations of the Lenders to extend such credit are conditioned upon, among other things, the execution and delivery of this Agreement. Holdings and the Subsidiary Loan Parties are affiliates of the Borrower, will derive substantial benefits from the extension of credit to the Borrower pursuant to the Credit Agreement and are willing to execute and deliver this Agreement in order to induce the Lenders to extend such credit. Accordingly, the parties hereto agree as follows:

1. Definitions .

(a) Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement and the following terms shall have the meanings set forth in the UCC (defined below): Accession, Account, Adverse Claim, As-Extracted Collateral, Chattel Paper, Commercial Tort Claim, Consumer Goods, Deposit Account, Document, Electronic Chattel Paper, Equipment, Farm Products, Financial Asset, Fixtures, General Intangible, Goods, Instrument, Inventory, Investment Company Security, Investment Property, Letter-of-Credit Right, Manufactured Home, Money, Proceeds, Securities Account, Security, Securities Account, Software, Supporting Obligation and Tangible Chattel Paper.

(b) The rules of construction specified in Section 1.03 of the Credit Agreement shall apply to this Agreement *mutatis mutandis* . In addition, the following terms shall have the meanings set forth below:

" Account Debtor " means any Person who is or who may become obligated to any Grantor under, with respect to or on account of an Account.

" Borrower " has the meaning assigned to such term in the introductory paragraph to this Agreement.

" Claiming Party " has the meaning assigned to such term in Section 13(b).

" Collateral " has the meaning assigned to such term in Section 3 .

" Contributing Party " has the meaning assigned to such term in Section 13(b) .

" Copyright License " means any written agreement now or hereafter in effect, granting to any Person any right under any Copyright now or hereafter owned by any Grantor or that such Grantor otherwise has the right to license, or granting any right to any Grantor under any Copyright now or hereafter owned by any Person, or that any other Person now or hereafter otherwise has the right to license and all rights of such Grantor under any such agreement.

" Copyrights " means: (a) all registered United States copyrights in all Works, now existing or hereafter created or acquired, all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Copyright Office, and (b) all renewals thereof.

" Credit Agreement " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Discharge of Senior Obligations " has the meaning assigned to such term in the First Lien/Second Lien Intercreditor Agreement.

" First Lien/Second Lien Intercreditor Agreement " has the meaning assigned to such term in the Credit Agreement.

" Grantors " means Holdings, the Borrower and the Subsidiary Loan Parties.

" Guarantors " means Holdings, the Borrower (except with respect to obligations of the Borrower) and the Subsidiary Loan Parties.

" Holdings " has the meaning assigned to such term in the introductory paragraph to this Agreement.

" Indemnified Amount " has the meaning assigned to such term in Section 13(b) .

" Intellectual Property " means all intellectual and similar property of every kind and nature now owned or hereafter acquired by any Grantor, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, trade secrets, domain names, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

" Issuer " means an issuer of uncertficated Pledged Equity.

" Patent License " means any written agreement, now or hereafter in effect, granting to any Person any right to make, use or sell any invention on which a Patent, owned by any Grantor or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a Patent owned by any other Person, or that any other Person otherwise has the right to license, is in existence, and all rights of any Grantor under any such agreement. " Patents " means (a) all letters patent of the United States or any other country and all reissues and extensions thereof, and (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof.

" Pledged Equity " means, with respect to each Grantor:

(a) 100% of the issued and outstanding Equity Interests of each Significant Domestic Subsidiary (other than a CFC Holding Company) of each Grantor that is directly owned by such Grantor, (b) except as provided in the following clause (c), 65% of the outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and 100% of the outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) in each Significant Foreign Subsidiary that is a CFC or each Significant Domestic Subsidiary that is a CFC Holding Company of each Grantor that is directly owned by such Grantor, and (c) 100% of the issued and outstanding Equity Interests of each Significant Foreign Subsidiary of each Grantor that is directly owned by such Grantor and that is a Pass-Through Foreign Subsidiary, including the Equity Interests of the Subsidiaries owned by such Grantor as set forth on Schedule 3 of the Perfection Certificate, in each case together with the certificates (or other agreements or instruments), if any, representing such shares, and all options and other rights, contractual or otherwise, with respect thereto, including the following:

(1) all Equity Interests representing a dividend thereon, or representing a distribution or return of capital upon or in respect thereof, or resulting from a stock split, revision, reclassification or other exchange therefor, and any subscriptions, warrants, rights or options issued to the holder thereof, or otherwise in respect thereof; and

(2) subject to the limitations in clauses (a) through (c) of the definition hereof, in the event of any consolidation or merger involving the issuer thereof and in which such issuer is not the surviving Person, all shares of each class of the Equity Interests of the successor Person formed by or resulting from such consolidation or merger, to the extent that such successor Person is a direct Significant Domestic Subsidiary of a Grantor (that is not a CFC Holding Company) or, if such successor Person is a direct Significant Foreign Subsidiary of a Grantor, 65% of all shares of each class of the Equity Interests of such successor Person formed by or resulting from such consolidation or merger in the case of a CFC or CFC Holding Company and 100% of all shares of each class of the Equity

Interests of such successor Person that is a Pass-Through Foreign Subsidiary.

" Pledged Securities " means any promissory notes, stock certificates, unit certificates, or other securities now or hereafter included in the Collateral, including all certificates, instruments or other documents representing or evidencing any Collateral.

" Senior Collateral Agent " has the meaning assigned to such term in the First Lien/Second Lien Intercreditor Agreement.

" Senior Collateral Documents " has the meaning assigned to such term in the First Lien/Second Lien Intercreditor Agreement.

" Senior Obligations " has the meaning assigned to such term in the First Lien/Second Lien Intercreditor Agreement.

" Senior Representative " has the meaning assigned to such term in the First Lien/Second Lien Intercreditor Agreement.

" Senior Secured Parties " has the meaning assigned to such term in the First Lien/Second Lien Intercreditor Agreement.

" Subsidiary Loan Parties " means (a) the Subsidiaries party to this Agreement on the Closing Date and (b) each other Subsidiary that becomes a party to this Agreement after the Closing Date.

" Trademark License " means any written agreement, now or hereafter in effect, granting to any Person any right to use any Trademark owned by any Grantor or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any Trademark owned by any other Person or that any other Person otherwise has the right to license, and all rights of any Grantor under any such agreement.

" Trademarks " means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof, or otherwise and (b) all renewals thereof.

" UCC " means the Uniform Commercial Code as in effect from time to time in the state of New York except as such term may be used in connection with the perfection of the Collateral and then the applicable jurisdiction with respect to such affected Collateral shall apply.

" Work " means any work that is subject to copyright protection pursuant to Title 17 of the United States Code.

2. Guarantee .

(a) Guarantee . Each Guarantor irrevocably and unconditionally guarantees to each of the Secured Parties, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment and performance of the Obligations. Each Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any Obligation. Each Guarantor waives presentment to, demand of payment from and protest to the Borrower or any other Loan Party of any of the Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment.

(b) Guarantee of Payment; Continuing Guarantee . Each Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment when due (whether or not any bankruptcy, insolvency, receivership or other similar proceeding shall have stayed the accrual of collection of any of the Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by the Collateral Agent or any other Secured Party to any security held for the payment of the Obligations or to any balance of any deposit account or credit on the books of the Collateral Agent or any other Secured Party in favor of the Borrower, any other party, or any other Person. Each Guarantor agrees that its guarantee hereunder is continuing in nature and applies to all Obligations, whether currently existing or hereafter incurred.

(c) No Limitations .

(i) Except for the termination or release of a Guarantor's obligations hereunder as expressly provided in Section 9.14 of the Credit Agreement, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations, any impossibility in the performance of the Obligations, or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by (A) the failure of the Collateral Agent or any other Secured Party to assert any claim or demand or to enforce any right or remedy under the provisions of any Loan Document or otherwise; (B) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Loan Document or any other agreement, including with respect to any other Guarantor under this Agreement; (C) the release of, or any impairment of or failure to perfect any Lien on or security interest in, any security held by the Collateral Agent or any other

Secured Party for any of the Obligations; (D) any default, failure or delay, wilful or otherwise, in the performance of any of the Obligations; or (E) any other act or omission that may or might in any manner or to any extent vary the risk of any Guarantor or otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of all the Obligations). Each Guarantor expressly authorizes the Secured Parties to take and hold security for the payment and performance of the Obligations, to exchange, waive or release any or all such security (with or without consideration), to enforce or apply such security and direct the order and manner of any sale thereof in their sole discretion or to release or substitute any one or more other guarantors or obligors upon or in respect of the Obligations, all without affecting the obligations of any Guarantor hereunder.

(ii) To the fullest extent permitted by applicable law, each Guarantor waives any defense based on or arising out of any defense of the Borrower or any other Loan Party or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Loan Party, other than the indefeasible payment in full in cash of all the Obligations. The Collateral Agent and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Obligations, make any other accommodation with the Borrower or any other Loan Party or exercise any other right or remedy available to them against the Borrower or any other Loan Party, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Obligations have been indefeasibly paid in full in cash. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other Loan Party, as the case may be, or any security.

(d) Reinstatement . Each Guarantor agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Collateral Agent or any other Secured Party upon the bankruptcy, insolvency, dissolution, liquidation or reorganization of the Borrower, any other Loan Party or otherwise.

(e) Agreement to Pay; Subrogation . In furtherance of the foregoing and not in limitation of any other right that the Collateral Agent or any other Secured Party has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Loan Party to pay any Obligation when

and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Collateral Agent for distribution to the applicable Secured Parties in cash the amount of such unpaid Obligation guaranteed by such Guarantor pursuant to this Agreement. Upon payment by any Guarantor of any sums to the Collateral Agent as provided above, all rights of such Guarantor against the Borrower or any other Loan Party arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Section 13 .

(f) Information . Each Guarantor (i) assumes all responsibility for being and keeping itself informed of the Borrower's and each other Loan Party's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and (ii) agrees that none of the Collateral Agent or the other Secured Parties will have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

3. Pledge and Grant of Security Interest in the Collateral . To secure the prompt payment and performance in full when due, whether by lapse of time, acceleration, mandatory prepayment or otherwise, of the Obligations, each Grantor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a continuing security interest in any and all right, title and interest of such Grantor in and to all of the following, whether now owned or existing or owned, acquired, or arising hereafter (collectively, the " Collateral "): (a) all Accounts; (b) all Chattel Paper; (c) those certain Commercial Tort Claims set forth on Schedule 2(c) hereto; (d) all Copyrights; (e) all Copyright Licenses; (f) all Deposit Accounts; (g) all Documents; (h) all Equipment; (i) all Fixtures; (j) all General Intangibles; (k) all Goods, (l) all Instruments; (m) all Inventory; (n) all Investment Property; (o) all Letter-of-Credit Rights and all Letters of Credit; (p) all Money; (q) all Patents; (r) all Patent Licenses; (s) all Pledged Equity; (t) all Software; (u) all Supporting Obligations; (v) all Trademarks; (w) all Trademark Licenses; and (x) all Accessions and all Proceeds of any and all of the foregoing. Notwithstanding anything to the contrary contained herein, the security interests granted under this Agreement shall not extend to (and the term "Collateral" shall not include) Excluded Assets; provided , that in the event of the termination or elimination of any prohibition described in the definition of "Excluded Assets" in the Credit Agreement or in the requirement for any consent contained in any applicable law, contract, lease, instrument, permit, license, authorization or other agreement or asset, to the extent sufficient to permit any of the assets described in such definition to become Collateral hereunder, or upon the grant of any such consent, or waiver or termination of any requirement for such consent, a security interest in such contract, lease, instrument, permit, license, authorization or other agreement or asset shall be automatically and simultaneously granted hereunder and shall be included as Collateral hereunder. The Grantors and the Collateral Agent, on behalf of the Secured Parties, hereby acknowledge and agree that (i) the security interest created hereby in the Collateral constitutes continuing collateral security for all of the Obligations, whether now existing or hereafter arising, and (ii) no

security interest shall be granted in United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law.

4. Representations and Warranties . Each Grantor hereby represents and warrants to the Collateral Agent, for the benefit of the Secured Parties, that:

(a) Ownership . Each Grantor is the legal and beneficial owner of its Collateral and has the right to pledge, sell, assign or transfer the same. There exists no adverse claim with respect to the Pledged Equity of such Grantor.

(b) Security Interest/Priority . This Agreement creates a valid security interest in favor of the Collateral Agent, for the benefit of the Secured Parties, in the Collateral of such Grantor and, when properly perfected by filing under local perfection requirements or possession, as applicable, shall constitute a valid and perfected, second priority security interest in such Collateral (including all uncertificated Pledged Equity consisting of partnership or limited liability company interests that do not constitute Securities), to the extent such security interest can be perfected by filing under the UCC, free and clear of all Liens except for Liens permitted under Section 6.02 of the Credit Agreement and, as to priority, having a second priority security interest except for Liens permitted under Section 6.02 of the Credit Agreement that have priority as a matter of law or contract. The taking possession by the Collateral Agent (or, prior to the Discharge of Senior Obligations, the Senior Collateral Agent) of the certificated securities (if any) evidencing the Pledged Equity and all other Instruments constituting Collateral will perfect and establish the second priority of the Collateral Agent's security interest in all the Pledged Equity evidenced by such certificated securities and such Instruments other than local law perfection requirements in connection with Pledged Equity of Foreign Subsidiaries.

(c) Types of Collateral . None of the Collateral consists of, or is the Proceeds of, As-Extracted Collateral, Consumer Goods, Farm Products, Manufactured Homes or standing timber.

(d) Accounts . (i) Each Account of the Grantors and the papers and documents relating thereto are genuine and in all material respects what they purport to be, (ii) each Account arises out of (A) a bona fide sale of goods sold and delivered by such Grantor (or is in the process of being delivered) or (B) services theretofore actually rendered by such Grantor to, the Account Debtor named therein, (iii) no Account of a Grantor is evidenced by any Instrument or Chattel Paper unless such Instrument or Chattel Paper, to the extent requested by the Collateral Agent, has been endorsed over and delivered to, or submitted to the control of, (A) prior to the Discharge of Senior Obligations, the Senior Collateral Agent, and (B) thereafter, the Collateral Agent, (iv) except as disclosed on Schedule 6.02 to the Disclosure Letter, no surety bond was required or given in connection with any Account of a Grantor or the contracts or purchase orders out

of which they arose and (v) the right to receive payment under each Account is assignable.

(e) Equipment and Inventory . With respect to any Equipment and/or Inventory of a Grantor, each such Grantor has exclusive possession and control of such Equipment and Inventory of such Grantor except for (i) Equipment leased by such Grantor as a lessee and (ii) Equipment or Inventory in transit with common carriers, at a customer location or computers and other mobile equipment in the possession or control of directors, officers, employees, consultants or other agents of such Grantor. No material Inventory of a Grantor is held by a Person other than a Grantor pursuant to consignment, sale or return, sale on approval or similar arrangement.

(f) Pledged Equity . All Pledged Equity is duly authorized and validly issued, is fully paid and, to the extent applicable, nonassessable and is not subject to the preemptive rights, warrants, options or other rights to purchase of any Person, or equityholder, voting trust or similar agreements outstanding with respect to, or property that is convertible, into, or that requires the issuance and sale of, any of the Pledged Equity.

(g) No Other Equity Interests, Instruments, Etc . As of the Closing Date, (i) no Grantor owns any certificated Equity Interests in any Subsidiary that are required to be pledged and delivered to (A) prior to the Discharge of Senior Obligations, the Senior Collateral Agent and (B) thereafter, the Collateral Agent, hereunder or pursuant to the Collateral and Guarantee Requirement except as set forth on Schedule 3 of the Perfection Certificate delivered as of the Closing Date, (ii) no Grantor holds any Instruments, Documents or Tangible Chattel Paper required to be pledged and delivered to (A) prior to the Discharge of Senior Obligations, the Senior Collateral Agent and (B) thereafter, the Collateral Agent, pursuant to Section 5(a)(i) of this Agreement other than as set forth on Schedule 5 of the Perfection Certificate delivered as of the Closing Date and (iii) all such certificated securities, Instruments, Documents and Tangible Chattel Paper have been delivered to (A) prior to the Discharge of Senior Obligations, the Senior Collateral Agent and (B) thereafter, the Collateral Agent, other than with respect to Pledged Equity of Foreign Subsidiaries.

(h) Partnership and Limited Liability Company Interests . Except for the certificated Pledged Equity delivered to the Senior Collateral Agent on or before the Closing Date or any Collateral that constitutes a Security or a Financial Asset held in a Securities Account that, pursuant to the Credit Agreement, is not required to be subject to the control of the Collateral Agent (or, prior to the Discharge of Senior Obligations, the Senior Collateral Agent) or is an Excluded Account, as of the Closing Date, none of the Collateral (i) by its terms expressly provides that it is a Security governed by Article 8 of the UCC, (ii) is held in a Securities Account that is not either required to be subject to the control of (A) prior to the Discharge of Senior Obligations, the Senior Collateral Agent and (B) thereafter, the Collateral Agent, or an Excluded Account or (iii) constitutes a

Security or a Financial Asset not held in an account that is either subject to the control of (A) prior to the Discharge of Senior Obligations, the Senior Collateral Agent and (B) thereafter, the Collateral Agent, or an Excluded Account.

(i) Commercial Tort Claims . As of the Closing Date, no Grantor is pursuing any Commercial Tort Claims in which a suit has been filed by such Grantor and such Grantor is seeking damages of $1,000,000 or greater other than as set forth on Schedule 2(c) hereto.

(j) Mergers, Etc . Other than as set forth on Schedule 1(b) of the Perfection Certificate, no Grantor has been party to a merger, consolidation or other change in structure or used any tradename in the prior five years.

(k) Consents: Etc . There are no restrictions in any Organizational Document governing any Pledged Equity or any other document related thereto which would limit or restrict (i) the grant of a Lien pursuant to this Agreement on such Pledged Equity, (ii) the perfection of such Lien or (iii) the exercise of remedies in respect of such perfected Lien in the Pledged Equity as contemplated by this Agreement other than restrictions applicable under securities laws and local law restrictions with respect to Pledged Equity of Foreign Subsidiaries. Except for (A) the filing or recording of UCC financing statements, (B) the filing of appropriate notices with the United States Patent and Trademark Office and the United States Copyright Office, (C) obtaining control to perfect the Liens created by this Agreement (to the extent required under Section 5(a) hereof), (D) such actions as may be required by laws affecting the offering and sale of securities, (E) consents, authorizations, filings or other actions which have been obtained or made and (F) such actions as may be required by local laws governing the Pledged Equity of Foreign Subsidiaries, no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority and no consent of any other Person (including any stockholder, member or creditor of such Grantor), is required for (x) the grant by such Grantor of the security interest in the Collateral granted hereby or for the execution, delivery or performance of this Agreement by such Grantor, (y) the perfection of such security interest (to the extent such security interest can be perfected by filing under the UCC, the granting of control (to the extent required under Section 5(a) hereof) or by filing an appropriate notice with the United States Patent and Trademark Office or the United States Copyright Office) or (z) the exercise by the Collateral Agent or the Secured Parties of the rights and remedies provided for in this Agreement (other than such actions as may be required under applicable securities laws in connection with the resale of any such Pledged Equity).

(l) Copyrights, Patents and Trademarks .

(i) To the best of each Grantor's knowledge, each material Copyright, Patent and Trademark of such Grantor is valid, subsisting, unexpired, enforceable and has not been abandoned (except as enforcement thereof may be limited by applicable bankruptcy,

reorganization, insolvency, fraudulent conveyance, moratorium or similar laws affecting the enforcement of any creditor's rights, generally and by general principles of equity (regardless of whether enforcement is considered in a proceeding in law or equity));

(ii) To the best of each Grantor's knowledge, no holding, decision or judgment has been rendered by any Governmental Authority that would limit, cancel or question the validity of any material Copyright, Patent or Trademark of any Grantor;

(iii) No action or proceeding is pending seeking to limit, cancel or question the validity of any material Copyright, Patent or Trademark of any Grantor, or that, is reasonably likely to have a Material Adverse Effect on the value of any material Copyright, Patent or Trademark of any Grantor;

(iv) All necessary applications pertaining to the material Copyrights, Patents and Trademarks of each Grantor have been duly and properly filed, and all necessary registrations or letters pertaining to such material Copyrights, Patents and Trademarks have been duly and properly filed and issued; and

(v) Except for Liens permitted under Section 6.02 of the Credit Agreement and, with respect to the priority of such Liens, Liens permitted under Section 6.02 of the Credit Agreement that have priority as a matter of law or contract, no Grantor has made any assignment or agreement in conflict with the security interest in the material Copyrights, Patents or Trademarks of any Grantor hereunder.

5. Covenants . Each Grantor covenants that until such time as the Obligations arising under the Loan Documents have been paid in full and the Commitments have expired or been terminated, such Grantor shall:

(a) Instruments/Chattel Paper/Pledged Equity/Control .

(i) If any amount in excess of $1,000,000 payable to a Grantor shall be or become evidenced by Tangible Chattel Paper, or if any property constituting Collateral with a value in excess of $1,000,000 shall be stored or shipped subject to a Document, ensure that such Tangible Chattel Paper or Document is either in the possession of such Grantor at all times or, if requested by the Collateral Agent to perfect its security interest in such Collateral, is delivered to (A) prior to the Discharge of Senior Obligations, the Senior Collateral Agent, and (B) thereafter, the Collateral Agent, duly endorsed in a manner satisfactory to the Senior Collateral Agent or the Collateral Agent, as applicable. Such Grantor, at the request of the Collateral Agent, shall ensure that any Collateral consisting of Tangible Chattel Paper in excess of $1,000,000 is marked

with a legend acceptable to the Collateral Agent indicating the Collateral Agent's security interest in such Tangible Chattel Paper;

(ii) Promptly deliver or cause to be delivered to (A) prior to the Discharge of Senior Obligations, the Senior Collateral Agent and (B) thereafter, the Collateral Agent, any and all certificates and instruments constituting Pledged Equity (i) on the date hereof, in the case of any certificates and instruments owned by such Grantor on the date hereof, and (ii) in accordance with Section 5.12 of the Credit Agreement, within 60 days after the acquisition thereof (or such longer period as the Administrative Agent, may agree to in writing) as required under the Credit Agreement, in the case of any such certificates and instruments acquired by such Grantor after the date hereof, in each case to the extent such delivery is required by the Collateral and Guarantee Requirement. Prior to delivery to the Senior Collateral Agent or the Collateral Agent, as applicable, all such certificates and instruments constituting Pledged Equity shall be held in trust by such Grantor for the benefit of the Collateral Agent pursuant hereto. All such certificates and instruments representing Pledged Equity shall be delivered in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, substantially in the form provided in Exhibit 5(a)(ii) hereto; and

(iii) Cause (A) all Indebtedness for borrowed money owed to such Grantor by the Borrower or any Subsidiary and (B) all Indebtedness for borrowed money in a principal amount of $1,000,000 or more owed to such Grantor by any other Person to be evidenced by a duly executed promissory note that is delivered to, (1) prior to the Discharge of Senior Obligations, the Senior Collateral Agent and (2) thereafter, the Collateral Agent, (x) on the date hereof, in the case of any such promissory note existing on the date hereof, and (y) promptly after the acquisition thereof (and, in any event, as required under the Credit Agreement (including Schedule 5.15 thereto)), in the case of any such promissory note acquired by such Grantor after the date hereof.

(iv) Execute and deliver all agreements, assignments, instruments or other documents as reasonably requested by the Collateral Agent or the Senior Collateral Agent for the purpose of obtaining and maintaining control with respect to any Collateral consisting of (A) Deposit Accounts (other than Excluded Accounts), (B) Investment Property, (C) Electronic Chattel Paper and (D) Letter-of-Credit Rights, as required by the Collateral and Guarantee Requirement;

(v) If an Issuer (or if such Grantor at any time becomes an Issuer), upon the occurrence and during the continuance of an Event of Default, comply without further consent by any other Person with any written instructions (within the meaning of Section 8-106(c) of the UCC)

originated by the Collateral Agent relating to the Equity Interests of such Issuer of which any other Person is the owner, and after receipt of such instructions from the Collateral Agent and until such instructions are rescinded in writing by the Collateral Agent or this Agreement is terminated in accordance with Section 9.14 of the Credit Agreement, such Grantor shall not comply with any instructions issued by any Grantor or any other person (other than the Collateral Agent); and

(vi) Notwithstanding anything to the contrary set forth herein, prior to the Discharge of Senior Obligations, to the extent that any Grantor is required under this Agreement to deliver any Collateral to the Collateral Agent and is required to deliver such Collateral to the Senior Collateral Agent in accordance with the terms of the Senior Collateral Documents or the First Lien/Second Lien Intercreditor Agreement, such Grantor's obligations under this Agreement with respect to such delivery shall be deemed to be satisfied by the delivery to the Senior Collateral Agent, acting as gratuitous bailee for the Secured Parties, pursuant to the terms of the First Lien/Second Lien Intercreditor Agreement.

(b) Filing of Financing Statements, Notices, etc . Execute and deliver to the Collateral Agent such agreements, assignments or instruments (including affidavits, notices, reaffirmations and amendments and restatements of existing documents, as the Collateral Agent may reasonably request) and do all such other things as the Collateral Agent may reasonably deem necessary or appropriate (i) to assure to the Collateral Agent its security interests hereunder are perfected and maintained, including (A) such instruments as the Collateral Agent may from time to time reasonably request in order to perfect and maintain the security interests granted hereunder in accordance with the UCC, (B) with regard to Patents, a Notice of Grant of Security Interest in Patents for filing with the United States Patent and Trademark Office in the form of Exhibit 5(b)(i) hereto, (C) with regard to Trademarks, a Notice of Grant of Security Interest in Trademarks for filing with the United States Patent and Trademark Office in the form of Exhibit 5(b)(ii) hereto and (D) with regard to Copyrights, a Notice of Grant of Security Interest in Copyrights in the form of Exhibit 5(b)(iii) and (ii) to otherwise protect and assure the Collateral Agent of its rights and interests hereunder. Furthermore, each Grantor also hereby irrevocably makes, constitutes and appoints the Collateral Agent, its nominee or any other person whom the Collateral Agent may designate, as such Grantor's attorney in fact with full power and for the limited purpose to sign in the name of such Grantor any financing statements, or amendments and supplements to financing statements, renewal financing statements, notices or any similar documents which in the Collateral Agent's reasonable discretion would be necessary or appropriate in order to perfect and maintain perfection of the security interests granted hereunder, such power, being coupled with an interest, being and remaining irrevocable until such time as the Obligations have been paid in full and the Commitments have expired or been terminated;

(c) Treatment of Accounts . Not grant or extend the time for payment of any Account, or compromise or settle any Account for less than the full amount thereof, or release any person or property, in whole or in part, from payment thereof, or allow any credit or discount thereon, other than as normal and customary in the ordinary course of a Grantor's business, as permitted by the Credit Agreement or as required by law;

(d) Commercial Tort Claims . (i) Promptly notify the Collateral Agent in writing of the initiation of any Commercial Tort Claims by or in favor of such Grantor seeking damages in excess of $1,000,000 and promptly after such notification forward to the Collateral Agent an updated Schedule 2(c) hereto and (ii) execute and deliver such statements, documents and notices and do and cause to be done all such things as may be reasonably required by the Collateral Agent, or required by law to create, preserve, perfect and maintain the Collateral Agent's security interest in any Commercial Tort Claims initiated by or in favor of any Grantor;

(e) Other Liens . Use commercially reasonable efforts to defend the Collateral against Liens except for Liens permitted under Section 6.02 of the Credit Agreement that have priority as a matter of law or contract, or under Section 6.02 of the Credit Agreement, that are permitted to have priority;

(f) Insurance . Insure, repair and replace the Collateral of such Grantor as set forth in the Credit Agreement;

(g) Issuance or Acquisition of Equity Interests . To the extent any Pledged Equity in any limited liability company or limited partnership controlled now or in the future by such Grantor and pledged hereunder is a "security" within the meaning of Article 8 of the UCC and is governed by Article 8 of the UCC, cause such interest to be certificated and such Grantor agrees that each such interest shall at all times hereafter continue to be such a security and represented by such certificate. Each Grantor further acknowledges and agrees that with respect to any interest in any limited liability company, limited partnership or corporation controlled now or in the future by such Grantor and pledged hereunder that is not a "security" within the meaning of Article 8 of the UCC, such Grantor shall at no time elect to treat any such interest as a "security" within the meaning of Article 8 of the UCC, nor shall such interest be represented by a certificate, unless such Grantor provides prior written notification to the Collateral Agent of such election and such interest is thereafter represented by a certificate that is promptly delivered to (A) prior to the Discharge of Senior Obligations, the Senior Collateral Agent and (B) thereafter, the Collateral Agent, pursuant to the terms hereof.

(h) Intellectual Property .

(i) Not do any act or knowingly omit to do any act whereby any material Copyright may become invalidated and (A) not do any act, or

knowingly omit to do any act, whereby any material Copyright may become injected into the public domain; (B) notify the Collateral Agent promptly if it knows that any material Copyright may become injected into the public domain or of any materially adverse determination or development (including the institution of, or any such determination or development in, any court or tribunal in the United States or any other country) regarding a Grantor's ownership of any such material Copyright or its validity; (C) take all commercially reasonable steps as it shall deem appropriate under the circumstances, to maintain and pursue each application (and to obtain the relevant registration) of each material Copyright owned by a Grantor and to maintain each registration of each material Copyright owned by a Grantor including filing of applications for renewal where necessary; and (D) promptly notify the Collateral Agent of any infringement of any material Copyright of a Grantor of which it becomes aware and take such commercially reasonable actions as it shall reasonably deem appropriate under the circumstances to protect such material Copyright, including, where deemed appropriate by such Grantor in its commercially reasonable discretion, the bringing of suit for infringement, seeking injunctive relief and seeking to recover any and all damages for such infringement;

(ii) Not make any assignment or agreement in conflict with the security interest in the Copyrights of each Grantor hereunder, except for Dispositions, Liens and licenses permitted under the Credit Agreement;

(iii) Continue to (A) use each material Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such material Trademark in full force free from any claim of abandonment for non-use, (B) maintain as in the past the quality of products and services offered under such material Trademark, (C) employ such material Trademark with the appropriate notice of registration, if applicable, (D) not adopt or use any mark that is confusingly similar or a colorable imitation of such material Trademark unless the Collateral Agent, for the benefit of the Secured Parties, shall obtain a perfected security interest in such mark pursuant to this Agreement, and (E) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any such material Trademark may become invalidated, other than in each case, any such action in connection with any Disposition of a Trademark permitted under the Credit Agreement;

(iv) Not do any act, or omit to do any act, whereby any material Patent may become abandoned or dedicated to the public, except to the extent permitted under the Credit Agreement;

(v) Promptly notify the Collateral Agent if it knows that any application or registration relating to any material Patent or Trademark

may become abandoned or dedicated to the public, or of any materially adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court or tribunal in any country) regarding such Grantor ownership of any material Patent or Trademark or its right to register the same or to keep and maintain the same, except in connection with a Disposition permitted under the Credit Agreement;

(vi) Take all commercially reasonable and necessary steps, including in any proceeding before the United States Patent and Trademark Office, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of each material Patent and Trademark, including filing of applications for renewal, affidavits of use and affidavits of incontestability, except to the extent such Grantor reasonably determined to Dispose of such Patent or Trademark;

(vii) Promptly notify the Collateral Agent after it learns that any material Patent or Trademark included in the Collateral is infringed, misappropriated or diluted by a third party and, to the extent determined commercially reasonable by such Grantor, promptly sue for infringement, misappropriation or dilution, to seek injunctive relief where deemed appropriate in such Grantor's commercially reasonable judgment, and to recover any and all damages for such infringement, misappropriation or dilution, or to take such other actions as it shall reasonably deem appropriate under the circumstances to protect such material Patent or Trademark;

(viii) For each Deposit Account (other than Excluded Accounts) that any Grantor at any time opens or maintains, either (i) cause the depositary bank to agree to comply with instructions from the Collateral Agent (or, prior to the Discharge of Senior Obligations, the Senior Collateral Agent) to such depositary bank directing the disposition of funds from time to time credited to such deposit account, without further consent of such Grantor or any other Person, pursuant to an agreement reasonably satisfactory to the Collateral Agent, or (ii) arrange for the Collateral Agent (or, prior to the Discharge of Senior Obligations, the Senior Collateral Agent) to become the customer of the depositary bank with respect to such Deposit Account, with the Grantor being permitted, only with the consent of the Collateral Agent or the Senior Collateral Agent, as applicable, to exercise rights to withdraw funds from such deposit account. The Collateral Agent agrees with each Grantor that the Collateral Agent shall not give any such instructions or withhold any withdrawal rights from any Grantor unless an Event of Default has occurred and is continuing or, after giving effect to any withdrawal would occur, provided that the provisions of this paragraph shall not apply to any

Deposit Account for which any Grantor, the depositary bank and the Collateral Agent have entered into a cash collateral agreement specially negotiated among such Grantor, the depositary bank and the Collateral Agent for the specific purpose set forth therein;

(ix) In the event that any securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by any Grantor are held by such Grantor or its nominee through a securities intermediary or commodity intermediary (other than any securities held in an Excluded Account), promptly notify the Collateral Agent thereof and, at the Collateral Agent's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent or the Senior Collateral Agent, as applicable, either (i) cause such securities intermediary or commodity intermediary, as the case may be, to agree to comply with entitlement orders or other instructions from the Collateral Agent (or, prior to the Discharge of Senior Obligations, the Senior Collateral Agent) to such securities intermediary as to such security entitlements or to apply any value distributed on account of any commodity contract as directed by the Collateral Agent or the Senior Collateral Agent, as applicable, to such commodity intermediary, as the case may be, in each case without further consent of any Grantor, such nominee, or any other Person, or (ii) in the case of Financial Assets or other Investment Property held through a securities intermediary, arrange for the Collateral Agent (or, prior to the Discharge of Senior Obligations, the Senior Collateral Agent) to become the entitlement holder with respect to such Investment Property, with the Grantor being permitted, only with the consent of the Collateral Agent or the Senior Collateral Agent, as applicable, to exercise rights to withdraw or otherwise deal with such Investment Property; the Collateral Agent agrees with each of the Grantors that the Collateral Agent shall not give any such entitlement orders or instructions or directions to any such issuer, securities intermediary or commodity intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by any Grantor, unless an Event of Default has occurred and is continuing, or, after giving effect to any such investment and withdrawal rights, would occur, in each case to the extent required by the Collateral and Guarantee Requirement; and

(x) Not make any assignment or agreement in conflict with the security interest in the Patents or Trademarks of each Grantor hereunder (except as permitted by the Credit Agreement).

6. Authorization to File Financing Statements . Each Grantor hereby authorizes the Collateral Agent to prepare and file such financing statements (including continuation statements) or amendments thereof or supplements thereto or other instruments as the Collateral Agent may from time to time deem necessary or appropriate, and in such jurisdictions as the Collateral Agent may from time to time deem necessary or appropriate, in order to perfect and maintain the security interests granted

hereunder in accordance with the UCC (including authorization to describe the Collateral as "all personal property", "all assets" or words of similar meaning).

7. Advances . On failure of any Grantor to perform any of the covenants and agreements contained herein, the Collateral Agent may, at its sole option and in its sole discretion, perform the same and in so doing may expend such sums as the Collateral Agent may reasonably deem advisable in the performance thereof (including the payment of any insurance premiums, the payment of any taxes, a payment to obtain a release of a Lien or potential Lien, expenditures made in defending against any adverse claim and all other expenditures which the Collateral Agent may make for the protection of the security hereof or which may be compelled to make by operation of law). All such sums and amounts so expended shall be repayable by the Grantors on a joint and several basis promptly upon timely notice thereof and demand therefor, shall constitute additional Obligations and shall bear interest from the date said amounts are expended at the interest rate set forth in Section 2.13(c) of the Credit Agreement. No such performance of any covenant or agreement by the Collateral Agent on behalf of any Grantor, and no such advance or expenditure therefor, shall relieve the Grantors of any Default or Event of Default. The Collateral Agent may make any payment hereby authorized in accordance with any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien, title or claim except to the extent such payment is being contested in good faith by a Grantor in appropriate proceedings and against which adequate reserves are being maintained in accordance with GAAP.

8. Remedies .

(a) General Remedies . Subject to the terms of the First Lien/Second Lien Intercreditor Agreement, upon the occurrence of an Event of Default and during continuation thereof, the Collateral Agent shall have, in addition to the rights and remedies provided herein, in the Loan Documents, in any other documents relating to the Obligations, or by law (including levy of attachment, garnishment and the rights and remedies set forth in the UCC of the jurisdiction applicable to the affected Collateral), the rights and remedies of a secured party under the UCC (regardless of whether the UCC is the law of the jurisdiction where the rights and remedies are asserted and regardless of whether the UCC applies to the affected Collateral), and further, the Collateral Agent may, with or without judicial process or the aid and assistance of others, in accordance with local laws (i) enter on any premises on which any of the Collateral may be located and, without resistance or interference by the Grantors, take possession of the Collateral, (ii) dispose of any Collateral on any such premises, (iii) require the Grantors to assemble and make available to the Collateral Agent at the expense of the Grantors any Collateral at any place and time designated by the Collateral Agent which is reasonably convenient to both parties, (iv) remove any Collateral from any such premises for the purpose of effecting sale or other disposition thereof and/or (v) without demand and without advertisement, notice, hearing or process of law, all of which each of the Grantors hereby waives to the fullest

extent permitted by law, at any place and time or times, sell and deliver any or all Collateral held by or for it at public or private sale (which in the case of a private sale of Pledged Equity, shall be to a restricted group of purchasers who will be obligated to agree, among other things, to acquire such securities for their own account, for investment and not with a view to the distribution or resale thereof), at any exchange or broker's board or elsewhere, by one or more contracts, in one or more parcels, for Money, upon credit or otherwise, at such prices and upon such terms as the Collateral Agent deems advisable, in its sole discretion (subject to any and all mandatory legal requirements). Each Grantor acknowledges that any such private sale may be at prices and on terms less favorable to the seller than the prices and other terms which might have been obtained at a public sale and, notwithstanding the foregoing, agrees that such private sale shall be deemed to have been made in a commercially reasonable manner and, in the case of a sale of Pledged Equity, that the Collateral Agent shall have no obligation to delay sale of any such securities for the period of time necessary to permit the issuer of such securities to register such securities for public sale under the Securities Act. Neither the Collateral Agent's compliance with applicable law nor its disclaimer of warranties relating to the Collateral shall be considered to adversely affect the commercial reasonableness of any sale. To the extent the rights of notice cannot be legally waived hereunder, each Grantor agrees that any requirement of reasonable notice shall be met if such notice, specifying the place of any public sale or the time after which any private sale is to be made, is personally served on or mailed, postage prepaid, to the Borrower in accordance with the notice provisions of Section 9.01 of the Credit Agreement at least 10 days before the time of sale or other event giving rise to the requirement of such notice. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor further acknowledges and agrees that any offer to sell any Pledged Equity which has been (i) publicly advertised on a bona fide basis in a newspaper or other publication of general circulation in the financial community of New York, New York (to the extent that such offer may be advertised without prior registration under the Securities Act), or (ii) made privately in the manner described above shall be deemed to involve a "public sale" under the UCC, notwithstanding that such sale may not constitute a "public offering" under the Securities Act, and the Collateral Agent may, in such event, bid for the purchase of such securities. The Collateral Agent shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. To the extent permitted by applicable law, any holder of the Obligations may be a purchaser at any such sale. To the extent permitted by applicable law, each of the Grantors hereby waives all of its rights of redemption with respect to any such sale. Subject to the provisions of applicable law, the Collateral Agent may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, to the extent permitted by law, be made at the time and

place to which the sale was postponed, or the Collateral Agent may further postpone such sale by announcement made at such time and place.

(b) Remedies Relating to Accounts . Subject to the terms of the First Lien/Second Lien Intercreditor Agreement, upon the occurrence of an Event of Default and during continuation thereof (but only upon exercise by the Collateral Agent of any or all of its rights and remedies hereunder), (i) each Grantor will promptly upon request of the Collateral Agent instruct all account debtors to remit all payments in respect of Accounts to a mailing location selected by the Collateral Agent and (ii) the Collateral Agent shall have the right to enforce any Grantor's rights against its customers and account debtors, and the Collateral Agent or its designee may notify any Grantor's customers and account debtors that the Accounts of such Grantor have been assigned to the Collateral Agent or of the Collateral Agent's security interest therein, and may (either in its own name or in the name of a Grantor or both) demand, collect (including by way of a lockbox arrangement), receive, take receipt for, sell, sue for, compound, settle, compromise and give acquittance for any and all amounts due or to become due on any Account, and, in the Collateral Agent's discretion, file any claim or take any other action or proceeding to protect and realize upon the security interest of the Collateral Agent in the Accounts. Each Grantor acknowledges and agrees that the Proceeds of its Accounts remitted to or on behalf of the Collateral Agent in accordance with the provisions hereof shall be solely for the Collateral Agent's own convenience and that such Grantor shall not have any right, title or interest in such Accounts or in any such other amounts except as expressly provided herein. Neither the Collateral Agent nor any other holder of the Obligations shall have any liability or responsibility to any Grantor for acceptance of a check, draft or other order for payment of money bearing the legend "payment in full" or words of similar import or any other restrictive legend or endorsement or be responsible for determining the correctness of any remittance. Furthermore, subject to the terms of the First Lien/Second Lien Intercreditor Agreement, during the continuation of an Event of Default, (i) the Collateral Agent shall have the right, but not the obligation, to make test verifications of the Accounts in any manner and through any medium that it reasonably considers advisable, and the Grantors shall furnish all such assistance and information as the Collateral Agent may require in connection with such test verifications and (ii) the Collateral Agent in its own name or in the name of others may communicate with account debtors on the Accounts to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any Accounts.

(c) Access . In addition to the rights and remedies hereunder; subject to the terms of the First Lien/Second Lien Intercreditor Agreement, upon the occurrence of an Event of Default and during the continuance thereof, to the extent permitted by local laws, the Collateral Agent shall have the right to enter and remain upon the various premises of the Grantors without cost or charge to the Collateral Agent, and use the same, together with materials, supplies, books and records of the Grantors for the purpose of collecting and liquidating the Collateral, or for preparing for sale and conducting the sale of the Collateral,

whether by foreclosure, auction or otherwise. In addition, the Collateral Agent may remove Collateral, or any part thereof, from such premises and/or any records, to the extent permitted by local laws, with respect thereto, in order to effectively collect or liquidate such Collateral.

(d) Nonexclusive Nature of Remedies . Failure by the Collateral Agent or any other holder of the Obligations to exercise any right, remedy or option under this Agreement, any other Loan Document, any other document relating to the Obligations, or as provided by law, or any delay by the Collateral Agent or any other holder of the Obligations in exercising the same, shall not operate as a waiver of any such right, remedy or option. No waiver hereunder shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated, which in the case of the Collateral Agent or any other holder of the Obligations shall only be granted as provided herein. To the extent permitted by law, neither the Collateral Agent, any other holder of the Obligations nor any party acting as attorney for any such Person, shall be liable hereunder for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct hereunder. The rights and remedies of the Collateral Agent and the other Secured Parties shall be cumulative and not exclusive of any other right or remedy which any such Person may have.

(e) Retention of Collateral . In addition to the rights and remedies hereunder, subject to the terms of the First Lien/Second Lien Intercreditor Agreement, the Collateral Agent may, in compliance with Sections 9-620 and 9-621 of the UCC or otherwise complying with the requirements of applicable law of the relevant jurisdiction, accept or retain the Collateral in satisfaction of the Obligations. Unless and until the Collateral Agent shall have provided such notices, however, the Collateral Agent shall not be deemed to have retained any Collateral in satisfaction of any Obligations for any reason.

(f) Deficiency . In the event that the proceeds of any sale, collection or realization are insufficient to pay all amounts to which the Collateral Agent or any other holder of the Obligations is legally entitled, the Grantors shall be jointly and severally liable for the deficiency, together with interest thereon at the rates applicable under the Credit Agreement, together with the costs of collection and the fees, charges and disbursements of counsel. Any surplus remaining after the full payment and satisfaction of the Obligations shall be returned to the Grantors or to whomsoever a court of competent jurisdiction shall determine to be entitled thereto.

9. Rights of the Collateral Agent .

(a) Power of Attorney . In addition to other powers of attorney contained herein, subject to the terms of the First Lien/Second Lien Intercreditor Agreement, each Grantor hereby designates and appoints the Collateral Agent, on behalf of the Secured Parties and each of its designees or agents, as attorney-in-

fact of such Grantor, irrevocably and with power of substitution, with authority to take any or all of the following actions upon the occurrence and during the continuance of an Event of Default:

(i) to demand, collect, settle, compromise, adjust, give discharges and releases, all as the Collateral Agent may reasonably determine;

(ii) to commence and prosecute any actions at any court for the purposes of collecting any Collateral and enforcing any other right in respect thereof;

(iii) to defend, settle or compromise any action brought and, in connection therewith, give such discharge or release as the Collateral Agent may deem reasonably appropriate;

(iv) receive and open mail addressed to a Grantor and endorse checks, notes, drafts, acceptances, money orders, bills of lading, warehouse receipts or other instruments or documents evidencing payment, shipment or storage of the goods giving rise to the Collateral of such Grantor on behalf of and in the name of such Grantor, or securing, or relating to such Collateral;

(v) sell, assign, transfer, make any agreement in respect of, or otherwise deal with or exercise rights in respect of, any Collateral or the goods or services which have given rise thereto, as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes;

(vi) adjust and settle claims under any insurance policy relating to the Collateral;

(vii) execute and deliver all assignments, conveyances, statements, financing statements, renewal financing statements, security agreements, affidavits, notices and other agreements, instruments and documents that the Collateral Agent may determine necessary in order to perfect and maintain the security interests and liens granted in this Agreement and to assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Collateral Agent the rights granted or now or hereafter intended to be granted to the Collateral Agent under this Agreement;

(viii) institute any foreclosure proceedings that the Collateral Agent may deem appropriate;

(ix) to sign and endorse any drafts, assignments, proxies, stock powers, verifications, notices and other documents relating to the Collateral;

(x) to exchange any of the Pledged Equity or other property upon any merger, consolidation, reorganization, recapitalization or other readjustment of the issuer thereof and, in connection therewith, deposit any of the Pledged Equity with any committee, depository, transfer agent, registrar or other designated agency upon such terms as the Collateral Agent may reasonably deem appropriate;

(xi) to vote for a shareholder resolution, or to sign an instrument in writing, sanctioning the transfer of any or all of the Pledged Equity into the name of the Collateral Agent or one or more of the Secured Parties, or into the name of any transferee to whom the Pledged Equity or any part thereof may be sold pursuant to Section 8 hereof;

(xii) to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral:

(xiii) to direct any parties liable for any payment in connection with any of the Collateral to make payment of any and all monies clue and to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct;

(xiv) to receive payment of and receipt for any and all monies, claims, and other amounts due and to become due at any time in respect of or arising out of any Collateral; and

(xv) do and perform all such other acts and things as the Collateral Agent may reasonably deem to be necessary, proper or convenient in connection with the Collateral.

This power of attorney is a power coupled with an interest and shall be irrevocable until such time as the Obligations arising under the Loan Documents have been paid in full and the Commitments have expired or been terminated. The Collateral Agent shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to the Collateral Agent in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. The Collateral Agent shall not be liable for any act or omission or for any error of judgment or any mistake of fact or law in its individual capacity or its capacity as attorney-in-fact except acts or omissions resulting from its gross negligence or willful misconduct. Notwithstanding anything to the contrary contained herein, this power of attorney is conferred on the Collateral Agent solely to protect, preserve and realize upon its security interest in the Collateral.

(b) Assignment by the Collateral Agent . The Collateral Agent may from time to time be replaced by a successor Collateral Agent appointed in accordance with the Credit Agreement, and such successor shall be entitled to all of the rights and remedies of the Collateral Agent under this Agreement.

(c) Liability with Respect to Accounts . Anything herein to the contrary notwithstanding, each of the Grantors shall remain liable under each of the Accounts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Account. Neither the Collateral Agent nor any other holder of the Obligations shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by any such Person of any payment relating to such Account pursuant hereto, nor shall any such Person be obligated in any manner to perform any of the obligations of a Grantor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(d) Voting and Payment Rights in Respect of the Pledged Equity .

(i) So long as no Event of Default shall exist, each Grantor may (A) exercise any and all voting and other consensual rights pertaining to the Pledged Equity of such Grantor or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Credit Agreement and (B) receive and retain any and all dividends (other than stock dividends and other dividends constituting Collateral which are addressed hereinabove), principal or interest paid in respect of the Pledged Equity to the extent they are allowed under the Credit Agreement; and

(ii) During the continuance of an Event of Default, (A) all rights of a Grantor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to clause (i)(A) above shall cease and all such rights shall thereupon become vested in (1) prior to the Discharge of Senior Obligations, the Senior Collateral Agent, and (2) thereafter, the Collateral Agent, which shall then have the sole right to exercise such voting and other consensual rights, (B) all rights of a Grantor to receive the dividends, principal and interest payments which it would otherwise be authorized to receive and retain pursuant to clause (i)(B) above shall cease and all such rights shall thereupon be vested in (1) prior to the Discharge of Senior Obligations, the Senior Collateral Agent, and (2) thereafter, the Collateral Agent, which shall then have the sole right to receive and hold as Collateral such dividends, principal and interest payments, and (C) all dividends, principal and interest payments which are received by a Grantor contrary to the provisions of clause (ii)(B) above shall be received in trust for the benefit of (1) prior to the Discharge of Senior Obligations, the Senior Collateral Agent, and (2) thereafter, the Collateral Agent, shall be segregated from other property or funds of such Grantor, and shall be forthwith paid over to the Collateral Agent or the

Senior Collateral Agent, as applicable, as Collateral in the exact form received, to be held by the Collateral Agent or the Senior Collateral Agent, as applicable, as Collateral and as further collateral security for the Obligations.

(e) Releases of Collateral . If any Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Collateral Agent, at the request and sole expense of such Grantor, shall promptly execute and deliver to such Grantor all releases and other documents, and take such other action, reasonably necessary for the release of the Liens created hereby or by any other Security Document on such Collateral.

10. Application of Proceeds . Subject to the terms of the First Lien/Second Lien Intercreditor Agreement, the Collateral Agent shall apply the proceeds of any collection or sale of Collateral, including any Collateral consisting of cash, as follows:

FIRST, to the payment of all costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, any other Loan Document or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Loan Document on behalf of any Grantor and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND to the payment in full of the Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Obligations of such Loan Party owed to them on the date of any such distribution); and

THIRD, to the Grantors, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

11. Continuing Agreement .

(a) This Agreement shall remain in full force and effect until such time as the Obligations have been paid in full and the Commitments have expired or been terminated, at which time this Agreement shall be automatically

terminated and the Collateral Agent shall, upon the request and at the expense of the Grantors, forthwith release all of its liens and security interests hereunder and shall authorize the filing of and/or execute and deliver all UCC termination statements and/or other documents reasonably requested by the Grantors evidencing such termination.

(b) This Agreement shall continue to be effective or be automatically reinstated, as the case may be, if at any time payment, in whole or in part, of any of the Obligations is rescinded or must otherwise be restored or returned by the Collateral Agent or any other holder of the Obligations as a preference, fraudulent conveyance or otherwise under any Debtor Relief law, all as though such payment had not been made; provided that in the event payment of all or any part of the Obligations is rescinded or must be restored or returned, all reasonable costs and expenses (including any reasonable legal fees and disbursements) incurred by the Collateral Agent or any other holder of the Obligations in defending and enforcing such reinstatement shall be deemed to be included as a part of the Obligations.

12. Amendments; Waivers: Modifications, etc . This Agreement and the provisions hereof may not be amended, waived, modified, changed, discharged or terminated except as set forth in Section 9.02(b) of the Credit Agreement; provided that any update or revision to Schedule 2(c) hereof delivered by any Grantor shall not constitute an amendment for purposes of this Section 12 or Section 9.02(b) of the Credit Agreement.

13. Indemnity and Subrogation . (a) Indemnity . In addition to all such rights of indemnity and subrogation as the Guarantors may have under applicable law (but subject to Section 13(c)), Holdings and the Borrower agree, jointly and severally, that (i) in the event a payment in respect of any Obligation shall be made by any Guarantor under this Agreement, Holdings and the Borrower shall indemnify such Guarantor for the full amount of such payment and such Guarantor shall be subrogated to the rights of the Person to whom such payment shall have been made to the extent of such payment and (ii) in the event any assets of any Grantor shall be sold pursuant to this Agreement or any other Security Document to satisfy in whole or in part any Obligation, Holdings and the Borrower shall indemnify such Grantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

(b) Contribution and Subrogation . Each Loan Party (a " Contributing Party ") agrees (subject to Section 13(c)) that, in the event a payment shall be made by any other Guarantor hereunder in respect of any Obligation or assets of any other Grantor (other than Holdings or the Borrower) shall be sold pursuant to any Security Document to satisfy any Obligation and such other Guarantor or Grantor (the " Claiming Party ") shall not have been fully indemnified by the Borrower or Holdings as provided in Section 13(a) , the Contributing Party shall indemnify the Claiming Party in an amount equal to the amount of such payment or the greater of the book value or the fair market value of such assets (the " Indemnified Amount "), as the case may be, in each case multiplied by a fraction

of which the numerator shall be the net worth of the Contributing Party on the date hereof and the denominator shall be the aggregate net worth of all the Guarantors and Grantors on the date hereof (or, in the case of any Guarantor or Grantor becoming a party hereto pursuant to Section 22 , the date of the supplement hereto executed and delivered by such Guarantor or Grantor). Any Contributing Party making any payment to a Claiming Party pursuant to this Section 13(b) shall (subject to Section 13(c)) be subrogated to the rights of such Claiming Party to the extent of such payment.

(c) Subordination . (i) Notwithstanding any provision of this Agreement to the contrary, all rights of the Guarantors and Grantors under this Section 13 and all other rights of the Guarantors and Grantors of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the indefeasible payment in full in cash of the Obligations. No failure on the part of the Borrower or any other Guarantor or Grantor to make the payments required by this Section 13 (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Guarantor or Grantor with respect to its obligations hereunder, and each Guarantor and Grantor shall remain liable for the full amount of the obligations of such Guarantor or Grantor hereunder.

(ii) Each Guarantor and Grantor hereby agrees that all Indebtedness and other monetary obligations owed by it to, or to it by, any other Guarantor, Grantor or any other Subsidiary shall be fully subordinated to the indefeasible payment in full in cash of the Obligations.

14. Successors in Interest . This Agreement shall be binding upon each Grantor, its successors and assigns and shall inure, together with the rights and remedies of the Collateral Agent and the other Secured Parties hereunder, to the benefit of the Collateral Agent or any other holder of the Obligations and their successors and permitted assigns.

15. Notices . All notices required or permitted to be given under this Agreement shall be in conformance with Section 9.01(a) of the Credit Agreement.

16. Counterparts . This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Delivery of executed counterparts of this Agreement by facsimile or other electronic means shall be effective as an original.

17. Headings . The headings of the sections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

18. Governing Law; Submission to Jurisdiction; Venue; WAIVER OF JURY TRIAL . The terms of Sections 9.09 and 9.10 of the Credit Agreement with respect to governing law, submission to jurisdiction, venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis* , and the parties hereto agree to such terms.

19. Severability . If any provision of this Agreement is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

20. Entirety . This Agreement, the other Loan Documents and the other documents relating to the Obligations represent the entire agreement of the parties hereto and thereto, and supersede all prior agreements and understandings, oral or written, if any, including any commitment letters or correspondence relating to the Loan Documents, any other documents relating to the Obligations, or the transactions contemplated herein and therein.

21. Other Security . To the extent that any of the Obligations are now or hereafter secured by property other than the Collateral (including real property and securities owned by a Grantor), or by a guarantee, endorsement or property of any other Person, then, subject to the terms of the First Lien/Second Lien Intercreditor Agreement, the Collateral Agent shall have the right to proceed against such other property, guarantee or endorsement upon the occurrence of any Event of Default, and the Collateral Agent shall have the right, in its sole discretion, to determine which rights, security, liens, security interests or remedies the Collateral Agent shall at any time pursue, relinquish, subordinate, modify or take with respect thereto, without in any way modifying or affecting any of them or the Obligations or any of the rights of the Collateral Agent or any other holder of the Obligations under this Agreement, under any other of the Loan Documents or under any other document relating to the Obligations.

22. Additional Subsidiaries . Pursuant to the Credit Agreement, certain Subsidiaries not a party hereto on the Closing Date are required to enter in this Agreement as a Subsidiary Loan Party upon becoming such a Subsidiary. Upon execution and delivery by the Collateral Agent and any such Subsidiary of an instrument in the form of Exhibit 22 hereto, such Subsidiary shall become a Subsidiary Loan Party, a Guarantor and a Grantor hereunder, with the same force and effect as if originally named such herein. The execution and delivery of any such instrument shall not require the consent of any other Loan Party. The rights and obligations of each Loan Party hereunder shall remain in full force and effect notwithstanding the addition of any new Subsidiary Loan Party as a party to this Agreement.

23. Rights of Required Lenders . All rights of the Collateral Agent hereunder, if not exercised by the Collateral Agent, may be exercised by the Required Lenders.

24. First Lien/Second Lien Intercreditor Agreement . Notwithstanding anything in this Agreement to the contrary, the Lien and security interest granted to the Collateral Agent pursuant to this Agreement with respect to the Collateral shall be second

in priority to the Lien and security interest granted to the Senior Collateral Agent or any other Senior Representative on behalf of the Senior Secured Parties. The exercise of any right or remedy by the Collateral Agent or any other Secured Party hereunder are subject to the provisions of the First Lien/Second Lien Intercreditor Agreement. In the event of any conflict or inconsistency between the terms of the First Lien/Second Lien Intercreditor Agreement and this Agreement, the terms of the First Lien/Second Lien Intercreditor Agreement shall govern and control. In addition, to the extent any obligation of any Grantor hereunder, including any obligation to grant sole possession or control or deliver or assign property or funds to the Collateral Agent or any other Person (or register any property in the name of the Collateral Agent or any other Person) conflicts or is inconsistent with (or any representation or warranty hereunder would, if required to be true, conflict or be inconsistent with) the obligations or requirements under a substantially similar provision of any Senior Collateral Document, such obligations or requirements under the Senior Collateral Document shall control, and such Grantor shall not be required to fulfill such obligations (or make such representations and warranties) hereunder, and shall be deemed not to be in violation of this Agreement as a result of its performance of the obligations or requirements of such Senior Collateral Document. For the avoidance of doubt, the absence of any specific reference to Section 24 in any other provision of this Agreement shall not be deemed to limit the generality of this Section 24 .

[Signature Pages, Schedules and Exhibits to Follow]

Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

GRANTORS :

TRINET HR CORPORATION,

By: _____
Name:
Title:

TRINET GROUP, INC.

By: _____
Name:
Title:

TRINET HR V, INC.

By: _____
Name:
Title:

ACCORD HUMAN RESOURCES 12, INC.

By: _____
Name:
Title:

ACCORD HUMAN RESOURCES, INC.

By: _____
Name:
Title:

210 PARK AVENUE HOLDING, INC.

By: _____
Name:
Title:

STRATEGIC OUTSOURCING, INC.

By: _____
Name:
Title:

SOI HOLDINGS, INC.

By: _____
Name:
Title:

AMBROSE EMPLOYER GROUP, LLC

By: _____
Name:
Title:

SCHEDULE 2(c)

COMMERCIAL TORT CLAIMS

None

EXHIBIT 5(a)(ii)

IRREVOCABLE STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers to the following Equity Interests of , a corporation:

No. of Shares	Certificate No.

and irrevocably appoints its agent and attorney-in-fact to transfer all or any part of such Equity Interests and to take all necessary and appropriate action to effect any such transfer. The agent and attorney-in-fact may substitute and appoint one or more persons to act for him. The effectiveness of a transfer pursuant to this stock power shall be subject to any and all transfer restrictions referenced on the face of the certificates evidencing such interest or in the certificate of incorporation or bylaws of the subject corporation, to the extent they may from time to time exist.

_____

By: _____
Name: _____
Title: _____

EXHIBIT 5(b)(i)

NOTICE

OF

GRANT OF SECURITY INTEREST

IN

PATENTS

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Second Lien Guarantee and Collateral Agreement dated as of August 20, 2013 (as the same may be amended, modified, extended or restated from time to time, the " Agreement "), by and among the Grantors party thereto (each a " Grantor " and collectively, the " Grantors ") and WILMINGTON TRUST, NATIONAL ASSOCIATION, as collateral agent (the " Collateral Agent ") for the Secured Parties referenced therein, the undersigned Grantor has granted a continuing security interest in and continuing lien upon the patents and patent applications shown below to the Collateral Agent, for the ratable benefit of the Secured Parties:

PATENTS

Patent No.	Description of Patent Item	Date of Patent

See Schedule 1 attached hereto

PATENT APPLICATIONS

Patent Applications No.	Description of Patent Applied for	Date of Patent Applications

See Schedule 1 attached hereto

The undersigned Grantor and the Collateral Agent, on behalf of the Secured Parties, hereby acknowledge and agree that the security interest in the foregoing patents and patent applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any patent or patent application.

Very truly yours,

_____
[Grantor]

By: _____
Name: _____
Title: _____

Acknowledged and Accepted:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Agent

By: _____
Name: _____
Title: _____

EXHIBIT 5(b)(ii)

NOTICE

OF

GRANT OF SECURITY INTEREST

IN

TRADEMARKS

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Second Lien Guarantee and Collateral Agreement dated as of August 20, 2013 (as the same may be amended, modified, extended or restated from time to time, the " Agreement "), by and among the Grantors party thereto (each a " Grantor " and collectively, the " Grantors ") and WILMINGTON TRUST, NATIONAL ASSOCIATION, as collateral agent (the " Collateral Agent ") for the Secured Parties referenced therein, the undersigned Grantor has granted a continuing security interest in and continuing lien upon the trademarks and trademark applications shown below to the Collateral Agent, for the ratable benefit of the Secured Parties:

TRADEMARKS

Trademark No.	Description of Trademark Item	Date of Trademark

See Schedule 1 attached hereto

TRADEMARK APPLICATIONS

Trademark Applications No.	Description of Trademark Applied for	Date of Trademark Applications

See Schedule 1 attached hereto

The undersigned Grantor and the Collateral Agent, on behalf of the Secured Parties, hereby acknowledge and agree that the security interest in the foregoing trademarks and trademark applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any trademark or trademark application.

Very truly yours,

_____
[Grantor]

By: _____
Name: _____
Title: _____

Acknowledged and Accepted:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Agent

By: _____
Name: _____
Title: _____

EXHIBIT 5(b)(iii)

NOTICE

OF

GRANT OF SECURITY INTEREST

IN

COPYRIGHTS

United States Copyright Office

Ladies and Gentlemen:

Please be advised that pursuant to the Second Lien Guarantee and Collateral Agreement dated as of August 20, 2013 (as the same may be amended, modified, extended or restated from time to time, the " Agreement "), by and among the Grantors party thereto (each a " Grantor " and collectively, the " Grantors ") and WILMINGTON TRUST, NATIONAL ASSOCIATION, as collateral agent (the " Collateral Agent ") for the Secured Parties referenced therein, the undersigned Grantor has granted a continuing security interest in and continuing lien upon the copyrights and copyright applications shown below to the Collateral Agent, for the ratable benefit of the Secured Parties:

COPYRIGHTS

Copyright No.	Description of Copyright Item	Date of Copyright

See Schedule 1 attached hereto

COPYRIGHT APPLICATIONS

Copyright Applications No.	Description of Copyright Applied for	Date of Copyright Applications

See Schedule 1 attached hereto

The undersigned Grantors and the Collateral Agent, on behalf of the Secured Parties, hereby acknowledge and agree that the security interest in the foregoing copyrights and copyright applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any copyright or copyright application.

Very truly yours,

_____
[Grantor]

By: _____
Name: _____
Title: _____

Acknowledged and Accepted:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Agent

By: _____
Name: _____
Title: _____

Exhibit 22
Supplement to the
Second Lien
Guarantee and
Collateral Agreement

SUPPLEMENT NO. dated as of [ ] (this " Supplement "), to the Second Lien Guarantee and Collateral Agreement dated as of August 20, 2013 (the " Collateral Agreement "), among TriNet Group, Inc. (" Holdings "), TriNet HR Corporation (the " Borrower "), each subsidiary of the Borrower listed on Schedule I thereto (each such subsidiary individually a " Subsidiary Guarantor " and, collectively, the " Subsidiary Guarantors "; the Subsidiary Guarantors, Holdings and the Borrower are referred to collectively herein as the " Grantors ") and WILMINGTON TRUST, NATIONAL ASSOCIATION (" WT "), as Collateral Agent (in such capacity, the " Collateral Agent ").

A. Reference is made to the Second Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement"), among the Borrower, Holdings, the lenders from time to time party thereto and WT, as Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement and the Collateral Agreement.

C. The Grantors have entered into the Collateral Agreement in order to induce the Lenders to make Loans. Section 22 of the Collateral Agreement provides that additional Subsidiaries of the Borrower may become Subsidiary Loan Parties under the Collateral Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the " New Subsidiary ") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Subsidiary Loan Party under the Collateral Agreement in order to induce the Lenders to make additional Loans and as consideration for Loans previously made.

Accordingly, the Collateral Agent and the New Subsidiary agree as follows:

SECTION 1. In accordance with Section 22 of the Collateral Agreement, the New Subsidiary by its signature below becomes a Subsidiary Loan Party, Grantor and Guarantor under the Collateral Agreement with the same force and effect as if originally named therein as a Subsidiary Loan Party, Grantor and Guarantor and the New Subsidiary hereby (a) agrees to all the terms and provisions of the Collateral Agreement applicable to it as a Subsidiary Loan Party, Grantor and Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor and Guarantor thereunder are true and correct on and as of the date hereof. In furtherance of the foregoing, the New Subsidiary, as security for the payment and

performance in full of the Obligations (as defined in the Collateral Agreement), does hereby create and grant to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, their successors and assigns, a security interest in and lien on all of the New Subsidiary's right, title and interest in and to the Collateral (as defined in the Collateral Agreement) of the New Subsidiary. Each reference to a "Guarantor" or "Grantor" in the Collateral Agreement shall be deemed to include the New Subsidiary. The Collateral Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary and the Collateral Agent has executed a counterpart hereof. Delivery of an executed signature page to this Supplement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Subsidiary hereby represents and warrants that (a) set forth on Schedule I attached hereto is a schedule with the true and correct legal name of the New Subsidiary, its jurisdiction of formation and the location of its chief executive office, (b) set forth on Schedule II attached hereto is a true and correct schedule of all the Pledged Securities of the New Subsidiary and (c) set forth on Schedule III attached hereto is a true and correct schedule of Intellectual Property consisting of Copyrights, Patents and Trademarks of the New Subsidiary.

SECTION 5. Except as expressly supplemented hereby, the Collateral Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Collateral Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall be in writing and given as provided in Section 15 of the Collateral Agreement.

SECTION 9. The New Subsidiary agrees to reimburse the Collateral Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Subsidiary and the Collateral Agent have duly executed this Supplement to the Collateral Agreement as of the day and year first above written.

[NAME OF NEW SUBSIDIARY],

by

_____

Name:
Title:

Legal Name:
Jurisdiction of Formation:
Location of Chief Executive office:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Agent

by

_____

Name:
Title:

Schedule I
to Supplement No. to the
Second Lien
Guarantee and
Collateral Agreement

NEW SUBSIDIARY INFORMATION

Name	Jurisdiction of Formation	Chief Executive Office

Schedule II
to Supplement No. to the
Second Lien
Guarantee and
Collateral Agreement

PLEDGED SECURITIES

Pledged Equity Interests

Issuer	Number of Certificate	Registered Owner	Number and Class of Equity Interests	Percentage of Equity Interests

Pledged Debt Securities

Issuer	Principal Amount	Date of Note	Maturity Date

INTELLECTUAL PROPERTY

[FORM OF] COMPLIANCE CERTIFICATE

[The form of this Compliance Certificate has been prepared for convenience only, and is not to affect, or to be taken into consideration in interpreting, the terms of the Credit Agreement referred to below. The obligations of the Borrower under the Credit Agreement are as set forth in the Credit Agreement, and nothing in this Compliance Certificate, or the form hereof, shall modify such obligations or constitute a waiver of compliance therewith in accordance with the terms of the Credit Agreement. In the event of any conflict between the terms of this Compliance Certificate and the terms of the Credit Agreement, the terms of the Credit Agreement shall govern and control, and the terms of this Compliance Certificate are to be modified accordingly.]

Reference is made to the Second Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Credit Agreement ") among TriNet Group, Inc. (" Holdings "), TriNet HR Corporation (the " Borrower "), the Lenders from time to time party thereto and Wilmington Trust, National Association, as Administrative Agent. Each capitalized term used but not defined herein shall have the meaning specified in the Credit Agreement.

The undersigned hereby certifies, in his or her capacity as a Financial Officer of Holdings and not in a personal capacity, as follows:

1. I am a Financial Officer of Holdings.

2. [Attached as Schedule I hereto are [(a)] the audited consolidated balance sheet and audited consolidated statements of income and cash flows required to be delivered by Section 5.01(a) of the Credit Agreement as of the end of and for the fiscal year ended [ ] setting forth in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP [1], and related narrative report containing management's discussion and analysis of the financial position and financial performance for such fiscal year [and (b) reasonably detailed calculations ([(i) of Excess Cash Flow for such fiscal year] [2] [and (ii) of GAAP Working Capital as of the ECF Sweep Repayment Date for the most recently completed fiscal year (calculated prior to giving effect to any prepayment of Term Loans on such date)] [3]].]

[or]

[1] An independent registered public accounting firm of recognized national standing may be substituted for Ernst & Young LLP in accordance with Section 5.01(a) of the Credit Agreement.

[2] Include if this Compliance Certificate is being delivered with respect to financial statements delivered pursuant to Section 5.01(a), beginning with the financial statements for the fiscal year of Holdings ending December 31, 2014.

[3] Include when an ECF Shortfall Amount exists.

2. [Attached as Schedule I hereto are the unaudited consolidated balance sheet and unaudited consolidated statements of income and cash flows required to be delivered by Section 5.01(b) of the Credit Agreement as of the end of and for the fiscal quarter ended [ ] and the then elapsed portion of such fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, and related narrative report containing management's discussion and analysis of the financial position and financial performance for such fiscal quarter. The financial statements referred to in this Section 2 present fairly in all material respects the financial condition, results of operations and cash flows of Holdings, the Borrower and the Subsidiaries on a consolidated basis as of the end of and for such fiscal quarter and such portion of the fiscal year in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of certain footnotes.]

3. [Attached as Schedule II hereto is a completed Supplemental Perfection Certificate, setting forth the information required pursuant to the Supplemental Perfection Certificate and indicating any changes in such information from [the most recently delivered Supplemental Perfection Certificate] / [the Perfection Certificate delivered on the Effective Date)].]

[or]

3. [I hereby certify that there has been no change in any information set forth in [the most recently delivered Supplemental Perfection Certificate] / [the Perfection Certificate delivered on the Effective Date].]

4. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Holdings, the Borrower and the Subsidiaries during the accounting period covered by the attached financial statements. The foregoing examination did not disclose, and I have no knowledge of (a) the existence of any condition or event that constitutes a Default or an Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth in a separate attachment, if any, to this Certificate, specifying the details thereof and the action that the Borrower has taken or proposes to take with respect thereto or (b) any change in GAAP or in the application thereof since the date of the consolidated balance sheet [most recently delivered pursuant to Section 5.01(a) or 5.01(b) of the Credit Agreement] / [referred to in Section 3.04 of the Credit Agreement][, except as set forth in a separate attachment to this Certificate].

5. Attached as Schedule [II][III] hereto is the name of each Subsidiary, if any, that (i) is an Excluded Subsidiary as of the date of this Certificate but has not been identified as an Excluded Subsidiary in Schedule 3.14 to the Disclosure Letter or in any prior Compliance Certificate or (ii) has previously been identified as an Excluded Subsidiary but has ceased to be an Excluded Subsidiary.

6. [Attached as Schedule [III][IV] hereto are the amounts of any Available ECF Amount and any Qualifying Equity Proceeds utilized for Specified

Uses during the most recent fiscal quarter included in the attached financial statements, specifying each such use and the amount thereof.] [4]

7. The information set forth on Annex A hereto is true and accurate on and as of the date of this Certificate.

8. The foregoing certifications are made and delivered on [ ], pursuant to Section 5.01(c) of the Credit Agreement.

[Remainder of page intentionally left blank]

Very truly yours,

TRINET GROUP, INC.

By: _____
Name:
Title:

[4] Include if this Compliance Certificate is being delivered with respect to financial statements delivered pursuant to Section 5.01(a).

FOR THE FISCAL [QUARTER] [YEAR] ENDED [mm/dd/yy].

ARTICLE I	Consolidated Net Income = **(a) – ((b) + (c) + (d)) =**		$[___, ___, ___]
	(a)	the net income or loss of Holdings, the Borrower and the consolidated Subsidiaries determined on a consolidated basis in accordance with GAAP for the period referred to above:	$[___, ___, ___]
	(b)	the income of any Person (other than Holdings and the Borrower) that is not a consolidated Subsidiary, except to the extent of the amount of cash dividends or other cash distributions actually paid by such Person to Holdings, the Borrower or, subject to clauses (c) and (d) below, any consolidated Subsidiary, during such period:	$[___, ___, ___]
	(c)	the income of, and any amounts referred to in clause (b) above paid to, any Subsidiary to the extent that, on the date of determination, the declaration or payment of cash dividends or other cash distributions by such Subsidiary of that income is not at the time permitted by a Requirement of Law or any agreement or instrument applicable to such Subsidiary, unless such restrictions with respect to the payment of cash dividends and other similar cash distributions have been legally and effectively waived for such period:	$[___, ___, ___]
	(d)	the income or loss of, and any amounts referred to in clause (b) of this proviso paid to, any consolidated Subsidiary that is not wholly-owned by Holdings to the extent such income or loss or such amounts are attributable to the noncontrolling interest in such consolidated Subsidiary for such period:	$[___, ___, ___]
ARTICLE II	Excess Cash Flow [23] = **(a) – (b) = [24]**		$[___, ___, ___]

[23] Include if this Compliance Certificate is being delivered with respect to financial statements delivered pursuant to Section 5.01(a), beginning with the financial statements for the fiscal year of Holdings ending December 31, 2014.

[24] Amounts expended in connection with (i) acquiring Term Loans under Section 2.24 of the Credit Agreement and (ii) assignments of Term Loans pursuant to Section 9.04(e) or (f) of the Credit Agreement shall not reduce or be credited against Excess Cash Flow.

(a)	the sum, without duplication, of:	$[___, ___, ___]
	(i) the consolidated net income or loss of Holdings, the Borrower and the consolidated Subsidiaries for the fiscal year referred to above, adjusted to exclude (x) net income or loss of any consolidated Subsidiary that is not wholly-owned by Holdings to the extent such income or loss is attributable to the non-controlling interest in such consolidated Subsidiary and (y) any gains or losses attributable to Prepayment Events:	$[___, ___, ___]
	(ii) depreciation, amortization and other non-cash charges, expenses or losses, including the non-cash portion of interest expense, deducted in determining such consolidated net income or loss for such fiscal year:	$[___, ___, ___]
	(iii) the sum of (x) the amount, if any, by which Net Working Capital decreased during such fiscal year (except as a result of the reclassification of items from short-term to long-term or vice-versa), (y) the net amount, if any, by which the consolidated deferred revenues and other consolidated accrued long-term liability accounts of Holdings, the Borrower and the consolidated Subsidiaries increased during such fiscal year and (z) the net amount, if any, by which the consolidated accrued long-term asset accounts of Holdings, the Borrower and the other consolidated Subsidiaries decreased during such fiscal year:	$[___, ___, ___]
(b)	the sum, without duplication, of:	$[___, ___, ___]
	(i) the amount of all non-cash gains included in arriving at such consolidated net income or loss for such fiscal year:	$[___, ___, ___]
	(ii) the sum of (x) the amount, if any, by which Net Working Capital increased during such fiscal year (except as a result of the reclassification of items from long-term to short-term or vice-versa), (y) the net amount, if any, by which the consolidated deferred revenues and other consolidated accrued long-term liability	$[___, ___, ___]

	accounts of Holdings, the Borrower and the consolidated Subsidiaries decreased during such fiscal year and (z) the net amount, if any, by which the consolidated accrued long-term asset accounts of Holdings, the Borrower and the consolidated Subsidiaries increased during such fiscal year:	$[___, ___, ___]
(iii)	the sum of, in each case except to the extent financed with Excluded Sources, of (w) the aggregate amount of Capital Expenditures by Holdings, the Borrower and the consolidated Subsidiaries made in cash for such fiscal year (except to the extent attributable to the incurrence of Capital Lease Obligations), (x) the aggregate amount of cash consideration paid during such fiscal year by Holdings, the Borrower and the consolidated Subsidiaries to make Permitted Acquisitions and other Investments (other than Investments in cash, cash equivalents or Permitted Investments), except to the extent made in reliance on the Available ECF Amount, (y) to the extent not deducted in arriving at net income or loss or pursuant to the other clauses of this definition, the amount of Restricted Payments paid to Persons other than Holdings, the Borrower or any Subsidiaries during such period pursuant to Section 6.08(a), other than Restricted Payments made in reliance on the Available ECF Amount, and (z) payments in cash made by the Borrower and its consolidated Subsidiaries with respect to any noncash charges added back pursuant to clause (a)(ii) above in computing Excess Cash Flow for any prior fiscal year:	$[___, ___, ___]
(iv)	the aggregate principal amount of Long-Term Indebtedness repaid or prepaid in cash by Holdings, the Borrower and the consolidated Subsidiaries during such fiscal year, excluding (u) Indebtedness in respect of revolving loans and letters of credit or other revolving extensions of credit (except to the extent that any repayment or prepayment of such Indebtedness is accompanied by a permanent reduction in related commitments), (v) term loans under the First Lien Credit Agreement	$[___, ___, ___]

prepaid pursuant to Section 2.11(c), (d) or (e) thereof, (w) Loans prepaid pursuant to Section 2.11(b), (c) or (d) of the Credit Agreement, (x) any Alternative Incremental Facility Indebtedness or First Lien Alternative Incremental Facility Indebtedness pursuant to any comparable provision thereof, (y) any Refinancing Indebtedness in respect of the Credit Agreement , the First Lien Credit Agreement, or any Alternative Incremental Facility Indebtedness or First Lien Alternative Incremental Facility Indebtedness prepaid pursuant to any comparable provision thereof and (z) repayments or prepayments of Long-Term Indebtedness (A) made under Section 6.08(b)(viii) of the Credit Agreement in reliance on the Available ECF Amount and (B) to the extent financed from Excluded Sources:

ARTICLE III	GAAP Working Capital [25] **= (a) – (b) =**	$[___, ___, ___]
	(a) the consolidated current assets of Holdings and the Subsidiaries as of such date, calculated in accordance with GAAP:	$[___, ___, ___]
	(b) the consolidated current liabilities of Holdings and the Subsidiaries as of such date, calculated in accordance with GAAP:	$[___, ___, ___]

[25] Include if this Compliance Certificate is being delivered with respect to financial statements delivered pursuant to Section 5.01(a) and an ECF Shortfall Amount exists.

[FORM OF] INTERCOMPANY NOTE

New York, NY
, 2013

1. FOR VALUE RECEIVED, each of the parties identified on the signature pages hereto (each, a " Note Party "), constituting an Intercompany Debtor (as defined below), hereby promises to pay to the order of each applicable Intercompany Lender (as defined below), in lawful money of the United States of America or, in respect of extensions of credit in another currency, in such other currency as agreed to by the applicable Intercompany Lender and the applicable Intercompany Debtor (as defined below), in each case in immediately available funds, at such location in the United States of America or at such other location as the applicable Intercompany Lender shall from time to time designate, all amounts as may be owing from time to time by such Note Party (in such capacity, an " Intercompany Debtor ") to each other Note Party that is a Loan Party (in such capacity, an " Intercompany Lender ") in consideration of Indebtedness (such term, and each other capitalized term used but not defined herein, having the meaning assigned thereto in the Second Lien Credit Agreement referred to below) owed by such Intercompany Debtor to such Intercompany Lender, together with interest thereon at such rate as may be agreed upon from time to time, if any, between the applicable Intercompany Debtor and the applicable Intercompany Lender (any such Indebtedness being referred to herein as " Intercompany Indebtedness ").

2. Each Intercompany Debtor shall pay all Intercompany Indebtedness owing under this note (this " Global Note ") to any Intercompany Lender on demand of such Intercompany Lender. Each Intercompany Lender may make demand for all or any subset of the amounts owing to such Intercompany Lender under this Global Note, upon all Intercompany Debtors obligated to such Intercompany Lender or any such Intercompany Debtor, without the consent or permission of any other Note Party.

3. Upon the commencement of any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, insolvency or liquidation or similar proceeding in any jurisdiction relating to any Note Party, all Intercompany Indebtedness owing by such Note Party to each Intercompany Lender under this Global Note shall become immediately due and payable without presentment, demand, protest or notice of any kind in connection with this Global Note.

4. Upon the occurrence and during the continuance of an Enforcement Event (as defined below), all Intercompany Indebtedness owing hereunder by any Intercompany Debtor to an Intercompany Lender shall become immediately due and payable without presentment, demand, protest or notice of any kind in connection with this Global Note. Upon the occurrence and during the continuance of an Enforcement Event, all payments under this Global Note shall be made without offset, counterclaim or deduction of any kind, and no amount owing by any Intercompany

Debtor to any Intercompany Lender shall be reduced in any way by any outstanding obligations of such Intercompany Lender to such Intercompany Debtor, whether such obligations are monetary or otherwise.

5. Each Intercompany Lender is hereby authorized to record all amounts owing in consideration of Intercompany Indebtedness extended by such Intercompany Lender to the Intercompany Debtors, all of which shall be evidenced by this Global Note, and all repayments thereof, in its books and records in accordance with its usual practice, such books and records constituting prima facie evidence of the accuracy of the information contained therein; provided , however , that the failure of any Intercompany Lender to record such information shall not affect any Intercompany Debtor's obligations in respect of Intercompany Indebtedness extended by such Intercompany Lender to such Intercompany Debtor.

6. Each Intercompany Debtor hereby waives diligence, presentment, demand, protest and notice of any kind whatsoever. No failure or delay by any Intercompany Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No amendment, modification or waiver of, or consent with respect to, any provision of this Global Note shall in any event be effective against any Note Party unless the same shall be in writing and signed and delivered by such Note Party. Subject to the immediately preceding sentence, this Global Note shall be construed as a separate agreement with respect to each Note Party and may be amended, modified, supplemented, waived or released with respect to any Note Party without the approval of any other Note Party and without affecting the obligations of any other Note Party hereunder, and the obligations of each Intercompany Debtor hereunder shall be several and not joint with any other Intercompany Debtors.

7. Pursuant to the Second Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Second Lien Credit Agreement "), among TriNet HR Corporation, TriNet Group, Inc. (" Holdings "), the Lenders from time to time party thereto and Wilmington Trust, National Association., as Administrative Agent, this Global Note shall be pledged by the Intercompany Lenders in accordance with the Second Lien Credit Agreement and the other Loan Documents. Each Intercompany Debtor hereby acknowledges and agrees that the Administrative Agent may, pursuant to the Second Lien Credit Agreement, the other Loan Documents and any other applicable agreements as in effect from time to time, exercise all rights provided therein with respect to this Global Note. For purposes hereof, an " Enforcement Event " shall be deemed to have occurred and be continuing if an Event of Default shall have occurred and is continuing and either (a) all or any part of the Loan Document Obligations shall have been declared, or shall have automatically become, due and payable or (b) the Administrative Agent shall have commenced the exercise of its rights, on behalf of the Secured Parties, with respect to this Global Note.

8. Notwithstanding anything to the contrary contained herein, in any other Loan Document or in any other promissory note or other instrument, this Global Note evidences all agreements, promissory notes or other instruments that create or evidence any loans or advances made on, before or after the date hereof by any Intercompany Lender to any Intercompany Debtor (such notes and instruments, the " Other Intercompany Notes "). This Global Note evidences a continuation of, and not (i) an extinguishment, repayment and reborrowing of, (ii) a termination, novation or modification of, or (iii) a change to, the Indebtedness heretofore outstanding under the Other Intercompany Notes or any intercompany loan documents or agreements relating thereto. It is understood and agreed that this Global Note evidences Indebtedness owed from time to time by any Intercompany Debtor to any Intercompany Lender, but does not create any obligation to extend any such Indebtedness or, except as expressly set forth herein, alter any of the terms thereof.

9. This Global Note may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

10. From time to time after the date hereof, additional Subsidiaries of Holdings may become parties hereto (as Intercompany Debtor and/or Note Party, as the case may be) by executing a counterpart signature page to this Global Note (each additional Subsidiary, an " Additional Party "). Upon execution and delivery of such counterpart signature page to the Note Parties, notice of which is hereby waived by the other Intercompany Debtors, each Additional Party shall be a Intercompany Debtor and/or a Note Party, as the case may be, and shall be as fully a party hereto as if such Additional Party were an original signatory hereof. The execution and delivery of such a counterpart signature page shall not require the consent of any party hereto. Each Intercompany Debtor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Intercompany Debtor or Intercompany Lender hereunder. This Global Note shall be fully effective as to any Intercompany Debtor or Intercompany Lender that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Intercompany Debtor or Intercompany Lender hereunder.

11. No amendment, modification or waiver of, or consent with respect to, any provisions of this Global Note shall be effective unless the same shall be in writing and signed and delivered by each Intercompany Debtor and Intercompany Lender whose rights or obligations shall be affected thereby; provided that, until such time as (a) all the Obligations have been paid in full in cash and (b) the Lenders have no further commitment to lend under the Second Lien Credit Agreement, the Administrative Agent shall have provided its prior written consent to such amendment, modification, waiver or consent (which consent shall not be unreasonably withheld or delayed) to the extent such amendment, modification, waiver or consent would be adverse in any material respect to the Lenders.

12. THIS GLOBAL NOTE AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS GLOBAL NOTE AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Signature pages follow]

INTERCOMPANY LENDERS:

[•],

By: _____
Name:
Title:

INTERCOMPANY DEBTORS :

[•],

By: _____
Name:
Title:

ALLONGE TO INTERCOMPANY NOTE

This Allonge to Intercompany Note dated [ ], 2013, as amended, amended and restated, supplemented or otherwise modified from time to time, evidencing loans in various amounts owing and payable to the undersigned, shall be attached thereto and made a part thereof.

ENDORSEMENT

The above described note is hereby endorsed as follows:

Pay to the order of

_____ .

Dated _____, _____.

[•],

By: _____
Name:
Title:

[FORM OF]

FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT

Among

TRINET HR CORPORATION,

TRINET GROUP, INC.,

the other Grantors party hereto,

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent for the Senior Secured Parties and
as Representative for the Credit Agreement Secured Parties,

WILMINGTON TRUST, NATIONAL ASSOCIATION,

as the Initial Additional Second Priority Representative,

and

each additional Representative from time to time party hereto

dated as of August 20, 2013

FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT dated as of August 20, 2013 (as amended, supplemented or otherwise modified from time to time, this " **Agreement** "), among TRINET HR CORPORATION, a California corporation (the " **Borrower** "), TRINET GROUP, INC., a Delaware corporation (" **Holdings** "), the other Grantors (as defined herein) party hereto, JPMORGAN CHASE BANK, N.A., as collateral agent for the Senior Secured Parties (as defined herein) (in such capacity, the " **Senior Collateral Agent** ") and as Representative for the Credit Agreement Secured Parties (in such capacity, the " **Administrative Agent** "), WILMINGTON TRUST, NATIONAL ASSOCIATION, as Representative for the Initial Second Priority Debt Parties (in such capacity and together with its successors in such capacity, the " **Initial Second Priority Representative** "), and each additional Second Priority Representative and Senior Representative that from time to time becomes a party hereto pursuant to Section 8.09.

In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Senior Collateral Agent, the Administrative Agent (for itself and on behalf of the Credit Agreement Secured Parties), the Initial Second Priority Representative (for itself and on behalf of the Initial Second Priority Debt Parties) and each additional Senior Representative (for itself and on behalf of the Additional Senior Debt Parties under the applicable Additional Senior Debt Facility) and each additional Second Priority Representative (for itself and on behalf of the Second Priority Debt Parties under the applicable Second Priority Debt Facility) agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Defined Terms . Capitalized terms used but not otherwise defined herein have the meanings set forth in the Credit Agreement or the Collateral Agreement, as applicable, or, if defined in the New York UCC, and not otherwise defined herein, in the Credit Agreement or the Collateral Agreement, the meanings specified therein. As used in this Agreement, the following terms have the meanings specified below:

" **Additional Senior Debt** " means any Indebtedness of any Loan Party (as defined in the Credit Agreement) (other than Indebtedness constituting Credit Agreement Obligations) which Indebtedness is secured by the Senior Collateral (or a portion thereof) on a pari passu basis (but without regard to control of remedies) with the Credit Agreement Obligations (and not secured by Liens on any other assets of Holdings, the Borrower or any Subsidiary); provided , however , that (i) such Indebtedness is permitted to be incurred, secured and (if such Indebtedness is Guaranteed) Guaranteed on such basis by, and complies with the terms of, each Senior Debt Document and Second

Priority Debt Document and (ii) the Representative for the holders of such Indebtedness shall have become party to (A) this Agreement pursuant to, and by satisfying the conditions set forth in, Section 8.09 hereof and (B) the Pari Passu Intercreditor Agreement pursuant to, and by satisfying the conditions set forth in, Section 5.13 thereof, provided further that, if such Indebtedness will be the initial Additional Senior Debt incurred by the Loan Parties after the date hereof, then Holdings, the Borrower, the other Grantors, the Senior Collateral Agent and the Representative for such Indebtedness shall have executed and delivered the Pari Passu Intercreditor Agreement. Additional Senior Debt shall include any Registered Equivalent Notes and the Guarantees thereof by the applicable Grantors issued in exchange therefor.

" **Additional Senior Debt Documents** " means, with respect to any series, issue or class of Additional Senior Debt, the promissory notes, indentures, Collateral Documents or other operative agreements evidencing or governing such Indebtedness, including the Senior Collateral Documents.

" **Additional Senior Debt Facility** " means each credit agreement, indenture or other governing agreement with respect to any Additional Senior Debt.

" **Additional Senior Debt Obligations** " means, with respect to any series, issue or class of Additional Senior Debt, (a) all principal of, and interest (including, without limitation, any interest which accrues after the commencement of any Bankruptcy Case, whether or not allowed or allowable as a claim in any such proceeding) payable with respect to, such Additional Senior Debt, (b) all other amounts payable to the related Additional Senior Debt Parties under the related Additional Senior Debt Documents and (c) any renewals or extensions of the foregoing.

" **Additional Senior Debt Parties** " means, with respect to any series, issue or class of Additional Senior Debt, the holders of such Indebtedness, the Representative with respect thereto, any trustee or agent therefor under any related Additional Senior Debt Documents and the beneficiaries of each indemnification obligation undertaken by Holdings, the Borrower or any other Grantor under any related Additional Senior Debt Documents.

" **Administrative Agent** " has the meaning assigned to such term in the introductory paragraph of this Agreement and shall include any successors thereto as provided in Article VIII of the Credit Agreement.

" **Agreement** " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" **Bankruptcy Case** " means a case under the Bankruptcy Code or any other Bankruptcy Law.

" **Bankruptcy Code** " means Title 11 of the United States Code.

" **Bankruptcy Law** " means the Bankruptcy Code and any similar Federal, state or foreign law for the relief of debtors.

“ **Borrower** ” has the meaning assigned to such term in the introductory paragraph of this Agreement.

“ **Class Debt** ” has the meaning assigned to such term in Section 8.09.

“ **Class Debt Parties** ” has the meaning assigned to such term in Section 8.09.

“ **Class Debt Representatives** ” has the meaning assigned to such term in Section 8.09.

“ **Collateral** ” means the Senior Collateral and the Second Priority Collateral.

“ **Collateral Agreement** ” means the “Collateral Agreement” as defined in the Credit Agreement.

“ **Collateral Documents** ” means the Senior Collateral Documents and the Second Priority Collateral Documents.

“ **Credit Agreement** ” means that certain First Lien Credit Agreement dated as of August 20, 2013, among Holdings, the Borrower, the lenders from time to time party thereto and the Administrative Agent and any credit agreement which has been designated as the “Credit Agreement” pursuant to the definition of Discharge of Credit Agreement Obligations.

“ **Credit Agreement Loan Documents** ” means the Credit Agreement and the other “Loan Documents” as defined in the Credit Agreement.

“ **Credit Agreement Obligations** ” means the “Obligations” as defined in the Credit Agreement.

“ **Credit Agreement Secured Parties** ” means the “Secured Parties” as defined in the Credit Agreement.

“ **Debt Facility** ” means any Senior Facility and any Second Priority Debt Facility.

“ **Designated Second Priority Representative** ” means (i) the Initial Second Priority Representative, until such time as the Second Priority Debt Facility under the Initial Second Priority Debt Documents ceases to be the only Second Priority Debt Facility under this Agreement and (ii) thereafter, the Second Priority Representative designated from time to time by the Second Priority Instructing Group, in a notice to the Senior Collateral Agent and the Borrower hereunder, as the “Designated Second Priority Representative” for purposes hereof.

“ **DIP Financing** ” has the meaning assigned to such term in Section 6.01.

“ **Discharge** ” means, with respect to any Shared Collateral and any Debt Facility, the date on which such Debt Facility and the Senior Obligations or Second Priority Debt Obligations thereunder, as the case may be, are no longer secured by such Shared Collateral. The term “ **Discharged** ” shall have a corresponding meaning.

“ **Discharge of Credit Agreement Obligations** ” means, with respect to any Shared Collateral, the Discharge of the Credit Agreement Obligations with respect to such Shared Collateral; provided that the Discharge of Credit Agreement Obligations shall not be deemed to have occurred in connection with a Refinancing of such Credit Agreement Obligations with an Additional Senior Debt Facility secured by such Shared Collateral under one or more Additional Senior Debt Documents which has been designated in writing by the Administrative Agent (under the Credit Agreement so Refinanced) to the Collateral Agent and each other Representative as the “Credit Agreement” for purposes of this Agreement.

“ **Discharge of Senior Obligations** ” means the date on which the Discharge of Credit Agreement Obligations and the Discharge of each Additional Senior Debt Facility has occurred.

“ **Grantors** ” means Holdings, the Borrower and each other Subsidiary which has granted a security interest pursuant to any Collateral Document to secure any Secured Obligations. The Grantors existing on the date hereof are set forth in Annex I hereto.

“ **Initial Second Priority Credit Agreement** ” means that certain Second Lien Credit Agreement dated as of August 20, 2013, among Holdings, the Borrower, the lenders from time to time party thereto and Wilmington Trust, National Association, as administrative agent.

“ **Initial Second Priority Debt** ” means the Second Priority Debt incurred pursuant to the Initial Second Priority Debt Documents.

“ **Initial Second Priority Debt Documents** ” means the Initial Second Priority Credit Agreement and any notes, security documents and other operative agreements evidencing or governing such Indebtedness, including any agreement entered into for the purpose of securing the Initial Second Priority Debt Obligations.

“ **Initial Second Priority Debt Obligations** ” means the Second Priority Debt Obligations arising pursuant to the Initial Second Priority Debt Documents.

“ **Initial Second Priority Debt Parties** ” means the holders of any Initial Second Priority Debt Obligations and the Initial Second Priority Representative.

“ **Initial Second Priority Representative** ” has the meaning assigned to such term in the introductory paragraph to this Agreement.

“ **Insolvency or Liquidation Proceeding** ” means:

(1) any case commenced by or against Holdings, the Borrower or any other Grantor under any Bankruptcy Law, any other proceeding for the reorganization, recapitalization or adjustment of the assets or liabilities of Holdings, the Borrower or any other Grantor, any receivership or assignment for the benefit of creditors relating to Holdings, the Borrower or any other Grantor or any similar case or proceeding relative to Holdings, the Borrower or any other Grantor or its creditors, as such, in each case whether or not voluntary;

(2) any liquidation or dissolution of assets or liabilities or other winding up of or relating to Holdings, the Borrower or any other Grantor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(3) any other proceeding of any type or nature in which substantially all claims of creditors of Holdings, the Borrower or any other Grantor are determined and any payment or distribution is or may be made on account of such claims.

" **Joinder Agreement** " means a supplement to this Agreement in the form of Annex III or Annex IV hereof required to be delivered by a Representative to the Senior Collateral Agent pursuant to Section 8.09 hereof in order to include an additional Debt Facility hereunder and to become the Representative hereunder for the Senior Secured Parties or Second Priority Debt Parties, as the case may be, under such Debt Facility.

" **Loan Party** " means "Loan Party" as defined in the Credit Agreement.

" **Major Additional Senior Representative** " means, at any time, the Senior Representative of the Additional Senior Debt Facility having the largest outstanding principal amount of Additional Senior Debt Obligations of any Additional Senior Debt Facility then outstanding

" **Majority Credit Agreement Parties** " means the Required Lenders (as defined in the Credit Agreement), or with respect to any waiver, amendment or request, Credit Agreement Secured Parties having such amount of unused commitments, revolving credit loans or exposures, and outstanding term loans as may be required under the Credit Agreement to approve the same.

" **Majority Senior Parties** " means (a) prior to the Discharge of Credit Agreement Obligations, the Majority Credit Agreement Parties and (b) thereafter, with respect to any waiver, amendment or request, Additional Senior Debt Parties under the Additional Senior Debt Facility in respect of which the Major Additional Senior Representative acts as Representative having such amount of Indebtedness and other credit exposure as may be required under such Additional Senior Debt Facility to approve the same.

" **New York UCC** " means the Uniform Commercial Code as from time to time in effect in the State of New York.

“ **Officer’s Certificate** ” has the meaning assigned to such term in Section 8.08.

“ **Pari Passu Intercreditor Agreement** ” has the meaning assigned to such term in the Credit Agreement.

“ **Pledged or Controlled Collateral** ” has the meaning assigned to such term in Section 5.04(a).

“ **Proceeds** ” means the proceeds of any sale, collection or other liquidation of Shared Collateral, any payment or distribution made in respect of Shared Collateral in a Bankruptcy Case and any amounts received by the Senior Collateral Agent or any Senior Secured Party from a Second Priority Debt Party in respect of Shared Collateral pursuant to this Agreement or any other intercreditor agreement.

“ **Purchase Notice** ” has the meaning assigned to such term in Section 6.03(b).

“ **Recovery** ” has the meaning assigned to such term in Section 6.05.

“ **Refinance** ” means, in respect of any indebtedness, to refinance, extend, renew, defease, amend, increase, modify, supplement, restructure, refund, replace or repay, or to issue other indebtedness or enter alternative financing arrangements, in exchange or replacement for such indebtedness (in whole or in part), including by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, and including in each case, but not limited to, after the original instrument giving rise to such indebtedness has been terminated and including, in each case, through any credit agreement, indenture or other agreement. “ **Refinanced** ” and “ **Refinancing** ” have correlative meanings.

“ **Registered Equivalent Notes** ” means, with respect to any notes originally issued in a Rule 144A or other private placement transaction under the Securities Act of 1933, substantially identical notes (having the same Guarantees) issued in a dollar for dollar exchange therefor pursuant to an exchange offer registered with the SEC.

“ **Representatives** ” means the Senior Representatives and the Second Priority Representatives.

“ **Responsible Officer** ” of any person shall mean any executive officer or Financial Officer of such person and any other officer or similar official thereof with responsibility for the administration of the obligations of such person in respect of this Agreement.

“ **Second Priority Class Debt** ” has the meaning assigned to such term in Section 8.09.

“ **Second Priority Class Debt Parties** ” has the meaning assigned to such term in Section 8.09.

" **Second Priority Class Debt Representative** " has the meaning assigned to such term in Section 8.09.

" **Second Priority Collateral** " means any "Collateral" as defined in any Second Priority Debt Document or any other assets of Holdings, the Borrower or any other Grantor with respect to which a Lien is granted or purported to be granted pursuant to a Second Priority Collateral Document as security for any Second Priority Debt Obligation.

" **Second Priority Collateral Documents** " means the "Collateral Agreement" and the other "Security Documents" as defined in the Initial Second Priority Credit Agreement, the "Pari Passu Second Lien Intercreditor Agreement" as defined in the Initial Second Priority Credit Agreement (upon and after the initial execution and delivery thereof by the initial parties thereto) and each of the security agreements and other instruments and documents executed and delivered by Holdings, the Borrower or any other Grantor for purposes of providing collateral security for any Second Priority Debt Obligation.

" **Second Priority Debt** " means any Indebtedness of any Loan Party (as defined in the Credit Agreement), including the Initial Second Priority Debt, which Indebtedness is secured by the Second Priority Collateral on a pari passu basis (but without regard to control of remedies, other than as provided by the terms of the applicable Second Priority Debt Documents) with any other Second Priority Debt Obligations and the applicable Second Priority Debt Documents of which provide that such Indebtedness is to be secured by such Second Priority Collateral on a subordinate basis to the Senior Obligations (and which is not secured by Liens on any assets of Holdings, the Borrower or any other Grantor other than the Second Priority Collateral or which are not included in the Senior Collateral); provided , however , that (i) such Indebtedness is permitted to be incurred, secured and (if such Indebtedness is Guaranteed) Guaranteed on such basis by, and complies with the terms of, each Senior Debt Document and Second Priority Debt Document and (ii) except in the case of the Initial Second Priority Debt, the Representative for the holders of such Indebtedness shall have become party to this Agreement pursuant to, and by satisfying the conditions set forth in, Section 8.09 hereof. Second Priority Debt shall include any Registered Equivalent Notes and Guarantees thereof by the applicable Grantors issued in exchange therefor.

" **Second Priority Debt Documents** " means the Initial Second Priority Debt Documents and, with respect to any series, issue or class of Second Priority Debt, the promissory notes, indentures, Collateral Documents or other operative agreements evidencing or governing such Indebtedness, including the Second Priority Collateral Documents.

" **Second Priority Debt Facility** " means each credit agreement, indenture or other governing agreement with respect to any Second Priority Debt.

“ **Second Priority Debt Obligations** ” means the Initial Second Priority Debt Obligations and, with respect to any series, issue or class of Second Priority Debt, (a) all principal of, and interest (including, without limitation, any interest which accrues after the commencement of any Bankruptcy Case, whether or not allowed or allowable as a claim in any such proceeding) payable with respect to, such Second Priority Debt, (b) all other amounts payable to the related Second Priority Debt Parties under the related Second Priority Debt Documents and (c) any renewals or extensions of the foregoing.

“ **Second Priority Debt Parties** ” means the Initial Second Priority Debt Parties and, with respect to any series, issue or class of Second Priority Debt, the holders of such Indebtedness, the Representative with respect thereto, any trustee or agent therefor under any related Second Priority Debt Documents and the beneficiaries of each indemnification obligation undertaken by Holdings, the Borrower or any other Grantor under any related Second Priority Debt Documents.

“ **Second Priority Instructing Group** ” means Second Priority Representatives with respect to Second Priority Debt Facilities under which at least a majority of the then aggregate amount of Second Priority Debt Obligations are outstanding.

“ **Second Priority Lien** ” means the Liens on the Second Priority Collateral in favor of Second Priority Debt Parties under Second Priority Collateral Documents.

“ **Second Priority Representative** ” means (i) in the case of the Initial Second Priority Debt Facility covered hereby, the Initial Second Priority Representative and (ii) in the case of any Second Priority Debt Facility and the Second Priority Debt Parties thereunder the trustee, administrative agent, collateral agent, security agent or similar agent under such Second Priority Debt Facility that is named as the Representative in respect of such Second Priority Debt Facility in the applicable Joinder Agreement.

“ **Secured Obligations** ” means the Senior Obligations and the Second Priority Debt Obligations.

“ **Secured Parties** ” means the Senior Secured Parties and the Second Priority Debt Parties.

“ **Senior Class Debt** ” has the meaning assigned to such term in Section 8.09.

“ **Senior Class Debt Parties** ” has the meaning assigned to such term in Section 8.09.

“ **Senior Class Debt Representative** ” has the meaning assigned to such term in Section 8.09.

“ **Senior Collatera l** ” means any “Collateral” as defined in any Credit Agreement Loan Document or any other Senior Debt Document or any other assets of

Holdings, the Borrower or any other Grantor with respect to which a Lien is granted or purported to be granted pursuant to a Senior Collateral Document as security for any Senior Obligation.

" **Senior Collateral Agent** " means JPMorgan Chase Bank, N.A., in its capacity as collateral agent under the Senior Collateral Documents, and any successor thereof or replacement senior collateral agent appointed in accordance with the terms of the Credit Agreement and, if it is then in effect, the Pari Passu Intercreditor Agreement.

" **Senior Collateral Documents** " means the "Collateral Agreement" and the other "Security Documents" as defined in the Credit Agreement, the Pari Passu Intercreditor Agreement (upon and after the initial execution and delivery thereof by the initial parties thereto) and each of the security agreements and other instruments and documents executed and delivered by Holdings, the Borrower or any other Grantor for purposes of providing collateral security for any Senior Obligation.

" **Senior Debt Documents** " means (a) the Credit Agreement Loan Documents and (b) any Additional Senior Debt Documents.

" **Senior Facilities** " means the Credit Agreement and any Additional Senior Debt Facilities.

" **Senior Lien** " means the Liens on the Senior Collateral in favor of the Senior Secured Parties under the Senior Collateral Documents.

" **Senior Obligations** " means the Credit Agreement Obligations and any Additional Senior Debt Obligations.

" **Senior Representative** " means (i) in the case of any Credit Agreement Obligations or the Credit Agreement Secured Parties, the Administrative Agent, (ii) in the case of any Additional Senior Debt Facility and the Additional Senior Debt Parties thereunder (including with respect to any Additional Senior Debt Facility initially covered hereby on the date of this Agreement) the trustee, administrative agent, collateral agent, security agent or similar agent under such Additional Senior Debt Facility that is named as the Representative in respect of such Additional Senior Debt Facility in the applicable Joinder Agreement.

" **Senior Secured Parties** " means the Credit Agreement Secured Parties and any Additional Senior Debt Parties.

" **Shared Collatera l** " means, at any time, Collateral in which the holders of Senior Obligations under at least one Senior Facility and the holders of Second Priority Debt Obligations under at least one Second Priority Debt Facility (or their Representatives) hold a security interest at such time. If, at any time, any portion of the Senior Collateral under one or more Senior Facilities does not constitute Second Priority Collateral under one or more Second Priority Debt Facilities, then such portion of such Senior Collateral shall constitute Shared Collateral only with respect to the Second Priority Debt Facilities for which it constitutes Second Priority Collateral and shall not

constitute Shared Collateral for any Second Priority Debt Facility which does not have a security interest in such Collateral at such time.

" **Uniform Commercial Code** " or " **UCC** " means, unless otherwise specified, the Uniform Commercial Code as from time to time in effect in the State of New York.

SECTION 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument, other document, statute or regulation herein shall be construed as referring to such agreement, instrument, other document, statute or regulation as from time to time amended, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, but shall not be deemed to include the subsidiaries of such Person unless express reference is made to such subsidiaries, (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Articles, Sections and Annexes shall be construed to refer to Articles, Sections and Annexes of this Agreement, (v) unless otherwise expressly qualified herein, the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (vi) the term "or" is not exclusive.

ARTICLE II

Priorities and Agreements with Respect to Shared Collateral

SECTION 2.01. Subordination . Notwithstanding the date, time, manner or order of filing or recordation of any document or instrument or grant, attachment or perfection of any Liens granted to any Second Priority Representative or any Second Priority Debt Party on the Shared Collateral or of any Liens granted to the Senior Collateral Agent or the Senior Secured Parties on the Shared Collateral (or any actual or alleged defect in any of the foregoing) and notwithstanding any provision of the UCC, any applicable law, any Second Priority Debt Document or any Senior Debt Document or any other circumstance whatsoever, each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, hereby agrees that (a) any Lien on the Shared Collateral securing any Senior Obligations now or hereafter held by or on behalf of the Senior Collateral Agent, any Senior Secured Parties or any Senior Representative or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall have priority over and be senior in all respects and prior to any Lien on the Shared Collateral securing any Second Priority Debt Obligations and (b) any Lien on the Shared Collateral securing any Second Priority Debt Obligations now or hereafter held by or on behalf of

any Second Priority Representative, any Second Priority Debt Party or any Second Priority Representative or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the Shared Collateral securing any Senior Obligations. All Liens on the Shared Collateral securing any Senior Obligations shall be and remain senior in all respects and prior to all Liens on the Shared Collateral securing any Second Priority Debt Obligations for all purposes, whether or not such Liens securing any Senior Obligations are subordinated to any Lien securing any other obligation of Holdings, the Borrower, any other Grantor or any other Person or otherwise subordinated, voided, avoided, invalidated or lapsed. The subordination of Liens securing Second Priority Debt Obligations to Liens securing Senior Obligations set forth in this Section 2.01 affects only the relative priority of those Liens, and does not subordinate the Second Priority Debt Obligations in right of payment to the Senior Obligations. Nothing in this Agreement will affect the entitlement of any Second Priority Debt Party to receive and retain required payments of interest, principal and other amounts in respect of a Second Priority Debt Obligation unless the receipt is expressly prohibited by, or results from the Second Priority Debt Party's breach of, this Agreement.

SECTION 2.02. Nature of Senior Lender Claims . Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, acknowledges that (a) a portion of the Senior Obligations is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, (b) the terms of the Senior Debt Documents and the Senior Obligations may be amended, supplemented or otherwise modified, and the Senior Obligations, or a portion thereof, may be Refinanced from time to time and (c) the aggregate amount of the Senior Obligations may be increased, in each case, without notice to or consent by the Second Priority Representatives or the Second Priority Debt Parties and without affecting the provisions hereof. The Lien priorities provided for in Section 2.01 shall not be altered or otherwise affected by any amendment, supplement or other modification, or any Refinancing, of either the Senior Obligations or the Second Priority Debt Obligations, or any portion thereof. As between Holdings, the Borrower, the other Grantors and the Second Priority Debt Parties, the foregoing provisions will not limit or otherwise affect the obligations of Holdings, the Borrower and the other Grantors contained in any Second Priority Debt Document with respect to the incurrence of additional Senior Obligations.

SECTION 2.03. Prohibition on Contesting Liens Each of the Second Priority Representatives, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the validity, extent, perfection, priority or enforceability of any Lien securing any Senior Obligations held (or purported to be held) by or on behalf of the Senior Collateral Agent or any of the Senior Secured Parties or any Senior Representative or other agent or trustee therefor in any Senior Collateral, and the Senior Collateral Agent and each Senior Representative, for itself and on behalf of each Senior Secured Party under its Senior Facility, agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding

(including any Insolvency or Liquidation Proceeding), the validity, extent, perfection, priority or enforceability of any Lien securing any Second Priority Debt Obligations held (or purported to be held) by or on behalf of any of any Second Priority Representative or any of the Second Priority Debt Parties in the Second Priority Collateral. Notwithstanding the foregoing, no provision in this Agreement shall be construed to prevent or impair the rights of the Senior Collateral Agent or any Senior Representative to enforce this Agreement (including the priority of the Liens securing the Senior Obligations as provided in Section 2.01) or any of the Senior Debt Documents.

SECTION 2.04. No New Liens . The parties hereto agree that, so long as the Discharge of Senior Obligations has not occurred; (a) none of the Grantors shall grant or permit any additional Liens on any asset or property of any Grantor to secure any Second Priority Debt Obligation unless it has granted, or concurrently therewith grants, a Lien on such asset or property of such Grantor to secure the Senior Obligations, (b) none of the Grantors shall grant or permit any additional Liens in favor of the Senior Secured Parties under the Senior Collateral Documents on any asset or property of any Grantor to secure any Senior Obligation unless it has granted, or concurrently therewith grants, a junior-priority Lien on such asset or property of such Grantor to secure the Second Priority Debt Obligations subject to the terms of this Agreement, (c) if any Second Priority Representative or any Second Priority Debt Party shall hold any Lien on any assets or property of any Grantor securing any Second Priority Obligations that are not also subject to the senior-priority Liens securing Senior Obligations under the Senior Collateral Documents, such Second Priority Representative or Second Priority Debt Party (i) shall notify the Senior Collateral Agent promptly upon becoming aware thereof and, unless such Grantor shall promptly grant a similar Lien on such assets or property to the Senior Collateral Agent as security for the Senior Obligations, shall assign such Lien to the Senior Collateral Agent as security for the Senior Obligations (but may retain a junior lien on such assets or property subject to the terms hereof) and (ii) until such assignment or such grant of a similar Lien to the Senior Collateral Agent, shall be deemed to hold and have held such Lien for the benefit of the Senior Collateral Agent as security for the Senior Obligations, and (d) if any Senior Representative or any Senior Secured Party shall hold any Lien created under the Senior Collateral Documents on any assets or property of any Grantor securing any Senior Obligations that are not also subject to the junior-priority Liens securing Second Priority Debt Obligations under the Second Priority Collateral Documents, such Senior Representative or Senior Secured Party (i) shall notify each Second Priority Representative promptly upon becoming aware thereof and, unless such Grantor shall promptly grant a junior-priority Lien on such assets or property to each Second Priority Representative as security for the Second Priority Debt Obligations, shall assign such Lien to each Second Priority Representative as security for the Second Priority Debt Obligations (but may retain a senior Lien on such assets or property subject to the terms hereof) and (ii) until such assignment or such grant of a junior-priority Lien to each Second Priority Representative, shall be deemed to hold and have held such Lien for the benefit of each Second Priority Representative as security for the Second Priority Debt Obligations.

SECTION 2.05. Perfection of Liens . Except for the agreements of the Senior Collateral Agent pursuant to Section 5.04 hereof, none of the Senior Collateral

Agent, the Senior Representatives or the Senior Secured Parties shall be responsible for perfecting and maintaining the perfection of Liens with respect to the Shared Collateral for the benefit of the Second Priority Representatives or the Second Priority Debt Parties. The provisions of this Agreement are intended solely to govern the respective Lien priorities as between the Senior Secured Parties and the Second Priority Debt Parties and shall not impose on the Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives, the Second Priority Debt Parties or any agent or trustee therefor any obligations in respect of the disposition of Proceeds of any Shared Collateral which would conflict with prior perfected claims therein in favor of any other Person or any order or decree of any court or governmental authority or any applicable law.

SECTION 2.06. Certain Cash Collateral . Notwithstanding anything in this Agreement or any other Senior Debt Documents or Second Priority Debt Documents to the contrary, collateral consisting of cash and cash equivalents pledged to secure Credit Agreement Obligations consisting of reimbursement obligations in respect of Letters of Credit or otherwise held by the Administrative Agent or the Senior Collateral Agent pursuant to Section 2.05(j), 2.11(b), 2.18(e) or 2.20(a)(v) of the Credit Agreement (or any equivalent successor provision) shall be applied as specified in such Section of the Credit Agreement and will not constitute Shared Collateral.

ARTICLE III

Enforcement

SECTION 3.01. Exercise of Remedies . (a) So long as the Discharge of Senior Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against Holdings, the Borrower or any other Grantor, (i) neither any Second Priority Representative nor any Second Priority Debt Party will (x) exercise or seek to exercise any rights or remedies (including setoff) with respect to any Shared Collateral in respect of any Second Priority Debt Obligations, or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), (y) contest, protest or object to any foreclosure proceeding or action brought with respect to the Shared Collateral or any other Senior Collateral by the Senior Collateral Agent, any Senior Representative or any Senior Secured Party in respect of the Senior Obligations, the exercise of any right by the Senior Collateral Agent, any Senior Representative or any Senior Secured Party (or any agent or sub-agent on their behalf) in respect of the Senior Obligations under any lockbox agreement, control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which the Senior Collateral Agent, any Senior Representative or any Senior Secured Party either is a party or may have rights as a third party beneficiary, or any other exercise by any such party of any rights and remedies relating to the Shared Collateral under the Senior Debt Documents or otherwise in respect of the Senior Collateral or the Senior Obligations, or (z) object to the forbearance by the Senior Collateral Agent, any Senior Representative or any Senior Secured Party from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Shared Collateral in respect of Senior Obligations and (ii) except as otherwise

provided herein, the Senior Collateral Agent, the Senior Representatives and the Senior Secured Parties shall have the exclusive right to enforce rights, exercise remedies (including setoff and the right to credit bid their debt) and make determinations regarding the release, disposition or restrictions with respect to the Shared Collateral without any consultation with or the consent of any Second Priority Representative or any Second Priority Debt Party; provided , however , that the Designated Second Priority Representative may exercise any or all of such rights after the passage of a period of 180 days from the date of delivery to the Senior Collateral Agent of a written notice of the acceleration of the Second Priority Debt Obligations unless the Senior Collateral Agent is at such time diligently exercising its rights and remedies with respect to the Shared Collateral; provided further however , that (A) in any Insolvency or Liquidation Proceeding commenced by or against Holdings, the Borrower or any other Grantor, any Second Priority Representative may file a claim or statement of interest with respect to the Second Priority Debt Obligations under its Second Priority Debt Facility, (B) any Second Priority Representative may take any action (not adverse to the prior Liens on the Shared Collateral securing the Senior Obligations or the rights of the Senior Collateral Agent, the Senior Representatives or the Senior Secured Parties to exercise remedies in respect thereof) in order to create, prove, perfect, preserve or protect (but not enforce) its rights in, and perfection and priority of its Lien on, the Shared Collateral, (C) the Second Priority Representative and any Second Priority Debt Party may exercise their rights and remedies as unsecured creditors to the extent not inconsistent with this Agreement and as provided in Section 5.03, and (D) any Second Priority Representative may exercise the rights and remedies provided for in Section 6.04. In exercising rights and remedies with respect to the Senior Collateral, the Senior Collateral Agent, the Senior Representatives and the Senior Secured Parties may enforce the provisions of the Senior Debt Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of Shared Collateral upon foreclosure, to incur expenses in connection with such sale or disposition and to exercise all the rights and remedies of a secured lender under the Uniform Commercial Code of any applicable jurisdiction and of a secured creditor under Bankruptcy Laws of any applicable jurisdiction.

(b) So long as the Discharge of Senior Obligations has not occurred, each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, agrees that it will not, in the context of its role as secured creditor, take or receive any Shared Collateral or any Proceeds of Shared Collateral in connection with the exercise of any right or remedy (including setoff) with respect to any Shared Collateral in respect of Second Priority Debt Obligations. Without limiting the generality of the foregoing, unless and until the Discharge of Senior Obligations has occurred, except as expressly provided in the provisos in clause (ii) of Section 3.01(a), the sole right of the Second Priority Representatives and the Second Priority Debt Parties with respect to the Shared Collateral is to hold a Lien on the Shared Collateral in respect of Second Priority Debt Obligations pursuant to the Second Priority Debt Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of Senior Obligations has occurred.

(c) Subject to the provisos in clause (ii) of Section 3.01(a), (i) each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that neither such Second Priority Representative nor any such Second Priority Debt Party will take any action that would hinder any exercise of remedies undertaken by the Senior Collateral Agent, any Senior Representative or any Senior Secured Party with respect to the Shared Collateral under the Senior Debt Documents, including any sale, lease, exchange, transfer or other disposition of the Shared Collateral, whether by foreclosure or otherwise, and (ii) each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby waives any and all rights it or any such Second Priority Debt Party may have as a junior lien creditor or otherwise to object to the manner in which the Senior Collateral Agent, the Senior Representatives or the Senior Secured Parties seek to enforce or collect the Senior Obligations or the Liens granted on any of the Senior Collateral, regardless of whether any action or failure to act by or on behalf of the Senior Collateral Agent, any Senior Representative or any other Senior Secured Party is adverse to the interests of the Second Priority Debt Parties.

(d) Each Second Priority Representative hereby acknowledges and agrees that no covenant, agreement or restriction contained in any Second Priority Debt Document shall be deemed to restrict in any way the rights and remedies of the Senior Collateral Agent, the Senior Representatives or the Senior Secured Parties with respect to the Senior Collateral as set forth in this Agreement and the Senior Debt Documents.

(e) Subject to the first proviso in clause (ii) of Section 3.01(a), until the Discharge of Senior Obligations, the Senior Collateral Agent and the Majority Senior Parties (or such other Senior Representative as shall be authorized in accordance with the provisions of the Pari Passu Intercreditor Agreement, if then in effect, to direct the Senior Collateral Agent or otherwise take such action) shall have the exclusive right to exercise any right or remedy with respect to the Shared Collateral and shall have the exclusive right to determine and direct the time, method and place for exercising such right or remedy or conducting any proceeding with respect thereto. Following the Discharge of Senior Obligations, the Second Priority Instructing Group and the Designated Second Priority Representative shall have the exclusive right to exercise any right or remedy with respect to the Collateral, and the Second Priority Instructing Group and Designated Second Priority Representative shall have the exclusive right to direct the time, method and place of exercising or conducting any proceeding for the exercise of any right or remedy available to the Second Priority Debt Parties with respect to the Collateral, or of exercising or directing the exercise of any trust or power conferred on the Second Priority Representatives, or for the taking of any other action authorized by the Second Priority Collateral Documents; provided , however , that nothing in this Section shall impair the right of any Second Priority Representative or other agent or trustee acting on behalf of the Second Priority Debt Parties to take such actions with respect to the Collateral after the Discharge of Senior Obligations as may be otherwise required or authorized pursuant to any intercreditor agreement governing the Second Priority Debt Parties or the Second Priority Debt Obligations.

SECTION 3.02. Cooperation . Subject to the proviso in clause (ii) of Section 3.01(a), each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, agrees that, unless and until the Discharge of Senior Obligations has occurred, it will not commence, or join with any Person (other than the Senior Secured Parties and the Senior Collateral Agent upon the request thereof) in commencing, any enforcement, collection, execution, levy or foreclosure action or proceeding with respect to any Lien held by it in the Shared Collateral under any of the Second Priority Debt Documents or otherwise in respect of the Second Priority Debt Obligations.

SECTION 3.03. Actions upon Breach . Should any Second Priority Representative or any Second Priority Debt Party, contrary to this Agreement, in any way take, attempt to take or threaten to take any action with respect to the Shared Collateral (including any attempt to realize upon or enforce any remedy with respect to this Agreement) or fail to take any action required by this Agreement, the Senior Collateral Agent or any Senior Representative or other Senior Secured Party (in its or their own name or in the name of Holdings, the Borrower or any other Grantor) may obtain relief against such Second Priority Representative or such Second Priority Debt Party by injunction, specific performance or other appropriate equitable relief. Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Facility, hereby (i) agrees that the Senior Secured Parties' damages from the actions of the Second Party Representatives or any Second Priority Debt Party may at that time be difficult to ascertain and may be irreparable and waives any defense that Holdings, the Borrower, any other Grantor or the Senior Secured Parties cannot demonstrate damage or be made whole by the awarding of damages and (ii) irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance in any action that may be brought by the Senior Collateral Agent, any Senior Representative or and Senior Secured Party.

ARTICLE IV

Payments

SECTION 4.01. Application of Proceeds . After an event of default under any Senior Debt Document has occurred and until such event of default is cured or waived, so long as the Discharge of Senior Obligations has not occurred, the Shared Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such Shared Collateral upon the exercise of remedies shall be applied by the Senior Collateral Agent to the Senior Obligations in such order as specified in the relevant Senior Debt Documents until the Discharge of Senior Obligations has occurred. Upon the Discharge of Senior Obligations, the Senior Collateral Agent shall deliver promptly to the Designated Second Priority Representative any Shared Collateral or Proceeds thereof held by it in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct, to be applied by the Designated Second Priority Representative to the Second Priority Debt Obligations in such order as specified in the relevant Second Priority Debt Documents.

SECTION 4.02. Payments Over . Any Shared Collateral or Proceeds thereof received by any Second Priority Representative or any Second Priority Debt Party in connection with the exercise of any right or remedy (including setoff) relating to the Shared Collateral in contravention of this Agreement shall be segregated and held in trust for the benefit of and forthwith paid over to the Senior Collateral Agent for the benefit of the Senior Secured Parties in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The Senior Collateral Agent is hereby authorized to make any such endorsements as agent for each of the Second Priority Representatives or any such Second Priority Debt Party. This authorization is coupled with an interest and is irrevocable.

ARTICLE V

Other Agreements

SECTION 5.01. Releases . (a) Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that, in the event of a sale, transfer or other disposition of any specified item of Shared Collateral, the Liens granted to the Second Priority Representatives and the Second Priority Debt Parties upon such Shared Collateral to secure Second Priority Debt Obligations shall terminate and be released, automatically and without any further action, concurrently with the termination and release of all Liens granted upon such Shared Collateral to secure Senior Obligations. Upon delivery to a Second Priority Representative of an Officer's Certificate stating that any such termination and release of Liens securing the Senior Obligations has become effective (or shall become effective concurrently with such termination and release of the Liens granted to the Second Priority Debt Parties and the Second Priority Representatives) and any necessary or proper instruments of termination or release prepared by Holdings, the Borrower or any other Grantor, such Second Priority Representative will promptly execute, deliver or acknowledge, at Holdings', the Borrower's or the other Grantor's sole cost and expense, such instruments to evidence such termination and release of the Liens. Nothing in this Section 5.01(a) will be deemed to affect any agreement of a Second Priority Representative, for itself and on behalf of the Second Priority Debt Parties under its Second Priority Debt Facility, to release the Liens on the Second Priority Collateral as set forth in the relevant Second Priority Debt Documents.

(b) Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby irrevocably constitutes and appoints the Senior Collateral Agent and any officer or agent of the Senior Collateral Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Second Priority Representative or such Second Priority Debt Party or in the Senior Collateral Agent's own name, from time to time in the Senior Collateral Agent's discretion, for the purpose of carrying out the terms of Section 5.01(a), to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of Section 5.01(a), including any termination statements, endorsements or other instruments of transfer or release.

(c) Unless and until the Discharge of Senior Obligations has occurred, each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby consents to the application, whether prior to or after an event of default under any Senior Debt Document of proceeds of Shared Collateral to the repayment of Senior Obligations pursuant to the Senior Debt Documents, provided that nothing in this Section 5.01(c) shall be construed to prevent or impair the rights of the Second Priority Representatives or the Second Priority Debt Parties to receive proceeds in connection with the Second Priority Debt Obligations not otherwise in contravention of this Agreement.

(d) Notwithstanding anything to the contrary in any Second Priority Collateral Document, in the event the terms of a Senior Collateral Document and a Second Priority Collateral Document each require any Grantor to (i) make payment in respect of any item of Shared Collateral, (ii) deliver or afford control over any item of Shared Collateral to, or deposit any item of Shared Collateral with, (iii) register ownership of any item of Shared Collateral in the name of or make an assignment of ownership of any Shared Collateral or the rights thereunder to, (iv) cause any securities intermediary, commodity intermediary or other Person acting in a similar capacity to agree to comply, in respect of any item of Shared Collateral, with instructions or orders from, or to treat, in respect of any item of Shared Collateral, as the entitlement holder, (v) hold any item of Shared Collateral in trust for (to the extent such item of Shared Collateral cannot be held in trust for multiple parties under applicable law), (vi) obtain the agreement of a bailee or other third party to hold any item of Shared Collateral for the benefit of or subject to the control of or, in respect of any item of Shared Collateral, to follow the instructions of or (vii) obtain the agreement of a landlord with respect to access to leased premises where any item of Shared Collateral is located or waivers or subordination of rights with respect to any item of Shared Collateral in favor of, in any case, both the Senior Collateral Agent and any Second Priority Representative or Second Priority Debt Party, such Grantor may, until the applicable Discharge of Senior Obligations has occurred, comply with such requirement under the Second Priority Collateral Document as it relates to such Shared Collateral by taking any of the actions set forth above only with respect to, or in favor of, the Senior Collateral Agent.

SECTION 5.02. Amendments to Second Priority Collateral Documents . (a) Without the prior written consent of the Senior Collateral Agent and the Majority Senior Parties, no Second Priority Collateral Document may be amended, supplemented or otherwise modified or entered into to the extent such amendment, supplement or modification, or the terms of any new Second Priority Collateral Document, would be prohibited by or inconsistent with any of the terms of this Agreement. The Borrower agrees to deliver to the Senior Collateral Agent copies of (i) any new Second Priority Debt Document and (ii) any amendments, supplements or other modifications to the Initial Second Priority Credit Agreement or any Second Priority Collateral Document related thereto or the principal agreement governing any new class of Second Priority Debt or any Second Priority Collateral Document related thereto, in each case promptly after effectiveness thereof. Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that each Second Priority Collateral Document under its Second Priority Debt Facility shall

include the following language (or language to similar effect reasonably approved by the Senior Collateral Agent):

"Notwithstanding anything herein to the contrary, (i) the liens and security interests granted to the [identify applicable Second Priority Representative] pursuant to this Agreement are expressly subject and subordinate to the liens and security interests granted in favor of the Senior Secured Parties (as defined in the First Lien/Second Lien Intercreditor Agreement referred to below), including liens and security interests granted to JPMorgan Chase Bank, N.A., as administrative agent, pursuant to or in connection with the Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified from time to time), among TriNet HR Corporation, a California corporation (the " **Borrower** "), TriNet Group, Inc., a Delaware corporation (" **Holdings** "), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, and (ii) the exercise of any right or remedy by the [identify applicable Second Priority Representative] hereunder is subject to the limitations and provisions of the First Lien/Second Lien Intercreditor Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified from time to time, the " **First Lien/Second Lien Intercreditor Agreement** "), among the Borrower, Holdings, JPMorgan Chase Bank, N.A., as collateral agent for the Senior Secured Parties and as Representative for the Credit Agreement Secured Parties, Wilmington Trust, National Association, as Representative for the Initial Second Priority Debt Parties, and each additional Second Priority Representative and Senior Representative that from time to time becomes a party thereto pursuant to Section 8.09 thereof. In the event of any conflict between the terms of the First Lien/Second Lien Intercreditor Agreement and the terms of this Agreement, the terms of the First Lien/Second Lien Intercreditor Agreement shall govern."

(b) In the event that the Senior Collateral Agent or the Senior Secured Parties enter into any amendment, waiver or consent in respect of any of the Senior Collateral Documents for the purpose of adding to or deleting from, or waiving or consenting to any departures from any provisions of, any Senior Collateral Document or changing in any manner the rights of the Senior Collateral Agent, the Senior Secured Parties, Holdings, the Borrower or any other Grantor thereunder (including the release of any Liens in Senior Collateral), then such amendment, waiver or consent shall apply automatically to any comparable provision of the comparable Second Priority Collateral Documents without the consent of any Second Priority Representative or any Second Priority Debt Party and without any action by any Second Priority Representative, Holdings, the Borrower or any other Grantor; provided , however , that written notice of such amendment, waiver or consent shall have been given to each Second Priority Representative within 10 Business Days after the effectiveness of such amendment, waiver or consent.

SECTION 5.03. Rights as Unsecured Creditors . Notwithstanding anything to the contrary in this Agreement, the Second Priority Representatives and the Second Priority Debt Parties may exercise rights and remedies as unsecured creditors to the extent not inconsistent with this Agreement against Holdings, the Borrower and any other Grantor and in accordance with the terms of the Second Priority Debt Documents and applicable law. Nothing in this Agreement shall prohibit the receipt by any Second Priority Representative or any Second Priority Debt Party of the required payments of principal, premium, interest, fees and other amounts due under the Second Priority Debt Documents so long as such receipt is not the direct or indirect result of the exercise by a Second Priority Representative or any Second Priority Debt Party of rights or remedies as a secured creditor in respect of Shared Collateral. In the event any Second Priority Representative or any Second Priority Debt Party becomes a judgment lien creditor in respect of Shared Collateral as a result of its enforcement of its rights as an unsecured creditor in respect of Second Priority Debt Obligations, such judgment lien shall be subordinated to the Liens securing Senior Obligations on the same basis as the other Liens securing the Second Priority Debt Obligations are so subordinated to such Liens securing Senior Obligations under this Agreement. Nothing in this Agreement shall impair or otherwise adversely affect any rights or remedies the Senior Collateral Agent, the Senior Representatives or the Senior Secured Parties may have with respect to the Senior Collateral.

SECTION 5.04. Gratuitous Bailee for Perfection . (a) The Senior Collateral Agent acknowledges and agrees that if it shall at any time hold a Lien securing any Senior Obligations on any Shared Collateral that can be perfected by the possession or control of such Shared Collateral or of any account in which such Shared Collateral is held, and if such Shared Collateral or any such account is in fact in the possession or under the control of the Senior Collateral Agent, or of agents or bailees of the Senior Collateral Agent (such Shared Collateral being referred to herein as the " **Pledged or Controlled Collateral** "), or if it shall any time obtain any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral, the Senior Collateral Agent shall also hold such Pledged or Controlled Collateral, or take such actions with respect to such landlord waiver, bailee's letter or similar agreement or arrangement, as sub-agent or gratuitous bailee for the relevant Second Priority Representatives, in each case solely for the purpose of perfecting the Liens granted under the relevant Second Priority Collateral Documents and subject to the terms and conditions of this Section 5.04.

(b) Except as otherwise specifically provided herein, until the Discharge of Senior Obligations has occurred, the Senior Collateral Agent shall be entitled to deal with the Pledged or Controlled Collateral in accordance with the terms of the Senior Debt Documents as if the Liens under the Second Priority Collateral Documents did not exist. The rights of the Second Priority Representatives and the Second Priority Debt Parties with respect to the Pledged or Controlled Collateral shall at all times be subject to the terms of this Agreement.

(c) The Senior Collateral Agent shall have no obligation whatsoever to the Second Priority Representatives or any Second Priority Debt Party to assure that any

of the Pledged or Controlled Collateral is genuine or owned by the Grantors or to protect or preserve rights or benefits of any Person or any rights pertaining to the Shared Collateral, except as expressly set forth in this Section 5.04. The duties or responsibilities of the Senior Collateral Agent under this Section 5.04 shall be limited solely to holding or controlling the Shared Collateral and the related Liens referred to in paragraphs (a) and (b) of this Section 5.04 as subagent and gratuitous bailee for the relevant Second Priority Representative for purposes of perfecting the Lien held by such Second Priority Representative.

(d) The Senior Collateral Agent shall not have by reason of the Second Priority Collateral Documents or this Agreement, or any other document, a fiduciary relationship in respect of any Second Priority Representative or any Second Priority Debt Party, and each, Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby waives and releases the Senior Collateral Agent from all claims and liabilities arising pursuant to the Senior Collateral Agent's role under this Section 5.04 as sub-agent and gratuitous bailee with respect to the Shared Collateral.

(e) Upon the Discharge of Senior Obligations, the Senior Collateral Agent shall, at the Grantors' sole cost and expense, as the case may be, (i) deliver to the Designated Second Priority Representative, to the extent that it is legally permitted to do so, all Shared Collateral, including all proceeds thereof, held or controlled by the Senior Collateral Agent or any of its agents or bailees, including the transfer of possession and control, as applicable, of the Pledged or Controlled Collateral, together with any necessary endorsements and notices to depositary banks, securities intermediaries and commodities intermediaries, and assign its rights under any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral, or (ii) direct and deliver such Shared Collateral as a court of competent jurisdiction may otherwise direct. Holdings, the Borrower and the other Grantors shall take such further action as is required to effectuate the transfer contemplated hereby and shall indemnify the Senior Collateral Agent for loss or damage suffered by the Senior Collateral Agent as a result of such transfer, except for loss or damage suffered by the Senior Collateral Agent as a result of its own wilful misconduct, gross negligence or bad faith. The Senior Collateral Agent has no obligation to follow instructions from the Designated Second Priority Representative in contravention of this Agreement.

(f) Neither the Senior Collateral Agent nor any of the Senior Representatives or Senior Secured Parties shall be required to marshal any present or future collateral security for any obligations of Holdings, the Borrower or any Subsidiary to the Senior Collateral Agent, any Senior Representative or any Senior Secured Party under the Senior Debt Documents or any assurance of payment in respect thereof, or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights in respect of such collateral security or any assurance of payment in respect thereof shall be cumulative and in addition to all other rights, however existing or arising.

SECTION 5.05. When Discharge of Senior Obligations Deemed to Not Have Occurred . If, at any time after the Discharge of Senior Obligations has occurred, Holdings, the Borrower or any Subsidiary incurs any Senior Obligations (other than in respect of the payment of indemnities surviving the Discharge of Senior Obligations), then such Discharge of Senior Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement (other than with respect to any actions taken prior to the date of such designation as a result of the occurrence of such first Discharge of Senior Obligations) and the applicable agreement governing such Senior Obligations shall automatically be treated as a Senior Debt Document for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Shared Collateral set forth herein and the granting by the Senior Collateral Agent of amendments, waivers and consents hereunder and the agent, representative or trustee for the holders of such Senior Obligations shall be the Senior Collateral Agent for all purposes of this Agreement. Upon receipt of notice of such incurrence (including the identity of the new Senior Collateral Agent), each Second Priority Representative (including the Designated Second Priority Representative) shall promptly (a) enter into such documents and agreements (at the expense of the Borrower), including amendments or supplements to this Agreement, as the Borrower or such new Senior Collateral Agent shall reasonably request in writing in order to provide the new Senior Collateral Agent the rights of the Senior Collateral Agent contemplated hereby, (b) deliver to the Senior Collateral Agent, to the extent that it is legally permitted to do so, all Shared Collateral, including all proceeds thereof, held or controlled by such Second Priority Representative or any of its agents or bailees, including the transfer of possession and control, as applicable, of the Pledged or Controlled Collateral, together with any necessary endorsements and notices to depositary banks, securities intermediaries and commodities intermediaries, and assign its rights under any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral, (c) notify any applicable insurance carrier that it is no longer entitled to be a loss payee or additional insured under the insurance policies of any Grantor issued by such insurance carrier and (d) notify any governmental authority involved in any condemnation or similar proceeding involving a Grantor that the new Senior Collateral Agent is entitled to approve any awards granted in such proceeding.

ARTICLE VI

Insolvency or Liquidation Proceedings.

SECTION 6.01. Financing Issues . Until the Discharge of Senior Obligations has occurred, if Holdings, the Borrower or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and the Senior Collateral Agent, any Senior Representative or any Senior Secured Party shall desire to consent (or not object) to the sale, use or lease of cash or other collateral or to consent (or not object) to Holdings', the Borrower's or any other Grantor's obtaining financing under Section 363 or Section 364 of Title 11 of the United States Code or any similar provision of any other Bankruptcy Law (" **DIP Financing** "), then each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that it will raise no objection to and will not otherwise contest such sale, use or lease of

such cash or other collateral or such DIP Financing and, except to the extent permitted by the provisos in clause (ii) of Section 3.01(a) and Section 6.04, will not request adequate protection or any other relief in connection therewith and, to the extent the Liens securing the Senior Obligations under the Credit Agreement or, if no Credit Agreement exists, under the other Senior Debt Documents are subordinated or pari passu with such DIP Financing, will subordinate (and will be deemed hereunder to have subordinated) its Liens in the Shared Collateral to (a) such DIP Financing (and all obligations relating thereto) on the same basis as the Liens securing the Second Priority Debt Obligations are so subordinated to Liens securing Senior Obligations under this Agreement and (b) to any "carve-out" for professional and United States Trustee fees agreed to by the Senior Collateral Agent or the Senior Representatives; provided that (x) such DIP Financing shall not result in the voiding of the Liens under the Second Priority Debt Documents on the Shared Collateral securing the Second Priority Debt Obligations, which Liens shall remain subject to the priority requirements described herein vis-à-vis the Liens securing the Senior Obligations (it being understood that any reduction in the value of the Liens under the Second Priority Debt Parties by virtue of the mere existence of the DIP Financing and the priority Lien securing the obligations thereunder shall not be deemed to void the Liens under the Second Priority Debt Parties for purposes of this clause (x)), and (y) all Liens on Shared Collateral securing any such DIP Financing shall be senior to or on parity with the Liens under the Senior Collateral Documents on the Collateral securing the Senior Obligations and senior to the Liens under the Second Priority Debt Documents on the Collateral securing the Second Priority Debt Obligations.

SECTION 6.02. Relief from the Automatic Stay . Until the Discharge of Senior Obligations has occurred, each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees (a) that none of them shall seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding or take any action in derogation thereof, in each case in respect of any Shared Collateral, without the prior written consent of the Senior Collateral Agent, (b) that none of them will raise objection to (and will not otherwise contest) any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement in respect of Senior Obligations made by the Senior Collateral Agent, any Senior Representative or any other Senior Secured Party and (c) that none of them will raise objection to (and will not otherwise contest) any other request for judicial relief made in any court by any Senior Secured Party relating to the lawful enforcement of any Lien on Senior Collateral.

SECTION 6.03. Sale of Collateral. (a) The Second Priority Representative, as holder of a Lien on the Collateral and on behalf of the Second Priority Debt Parties, agrees that (i) it will raise no objection to (and will not otherwise contest) any lawful exercise by any Senior Secured Party of the right to credit bid Senior Obligations at any sale or foreclosure of Senior Collateral and (ii) it will be deemed to have consented to (and will not otherwise contest or oppose) any order relating to a sale or other disposition of assets of any Grantor for which the Senior Collateral Agent has consented so long as such order provides that, to the extent such sale or other disposition is to be free and clear of Liens, the Liens securing the Senior Obligations and the Second Priority Debt Obligations will attach to any proceeds of the sale on the same basis of

priority as the Liens on the Shared Collateral securing the Senior Obligations rank to the Liens on the Shared Collateral securing the Second Priority Debt Obligations pursuant to this Agreement.

(b) Without prejudice to the enforcement of the Senior Debt Parties' remedies, prior to the discharge of Senior Obligations, the Senior Debt Parties agree that at any time following an acceleration of the Senior Obligations in accordance with the terms of the Senior Debt Documents, the Second Priority Debt Parties shall have the option to purchase, all but not less than all, of the aggregate amount of Senior Obligations outstanding at the time of purchase at par, without warranty or representation or recourse. The Second Priority Debt Parties desiring to exercise such option to purchase all of the Senior Obligations shall deliver a notice (the " **Purchase Notice** ") to the Senior Collateral Agent that (i) is executed by all Second Priority Debt Parties, (ii) states that each such Second Priority Debt Party is irrevocably electing to purchase, in accordance with this Section 6.03(b), the percentage of all of the Senior Obligations set forth in the Purchase Notice (which percentages for all such Second Priority Debt Parties must aggregate exactly 100% of all outstanding Senior Obligations), (iii) includes a representation and warranty by such Second Priority Debt Parties that the Purchase Notice is in conformity with the Senior Debt Documents and any other binding agreement among the Senior Secured Parties, and (iv) designates a purchase date on which the purchase will occur, which date shall be (x) at least five but not more than 15 Business Days after the Senior Collateral Agent's receipt of the Purchase Notice and (y) not more than 60 days after the acceleration of the Senior Obligations in accordance with the terms of the Senior Debt Documents. A Purchase Notice will be ineffective if it is received by the Senior Collateral Agent after the occurrence giving rise to the acceleration of the Senior Obligations is waived, cured or otherwise ceases to exist. Upon the Senior Collateral Agent's receipt of an effective Purchase Notice conforming to this Section 6.03(b), the Second Priority Debt Parties will be irrevocably obligated to purchase, and the Senior Secured Parties will be irrevocably obligated to sell, the Senior Obligations in accordance with and subject to this Section 6.03(b), pursuant to documentation mutually acceptable to each of the Senior Collateral Agent and the Second Priority Designated Representative. Each Senior Secured Party will retain all rights to indemnification provided in the relevant Senior Debt Documents for all claims and other amounts relating to periods prior to the purchase of the Senior Obligations pursuant to this Section 6.03(b). If the Second Priority Debt Parties do not deliver a Purchase Notice in accordance with this Section within 60 days after the acceleration of the Senior Obligations in accordance with the terms of the Senior Debt Documents, the Senior Debt Parties shall have no further obligations pursuant to this clause and may take any further actions in their sole discretion in accordance with the Senior Debt Documents and this Agreement.

SECTION 6.04. Adequate Protection . Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that none of them shall object, contest or support any other Person objecting to or contesting (a) any request by the Senior Collateral Agent, the Senior Representatives or the Senior Secured Parties for adequate protection, (b) any objection by the Senior Collateral Agent, the Senior Representatives or the Senior Secured Parties to any motion, relief, action or proceeding based on the Senior Collateral

Agent's or any Senior Representative's or Senior Secured Party's claiming a lack of adequate protection or (c) the payment of interest, fees, expenses or other amounts of the Senior Collateral Agent, any Senior Representative or any other Senior Secured Party under Section 506(b) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law. Notwithstanding anything contained in this Section 6.04 or in Section 6.01, in any Insolvency or Liquidation Proceeding, (i) if the Senior Secured Parties (or any subset thereof) are granted adequate protection in the form of additional collateral in connection with any DIP Financing or use of cash collateral under Section 363 or 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law and the Senior Collateral Agent and the other Senior Secured Parties do not object to the adequate protection being provided to the Senior Secured Parties, then each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, may seek or request adequate protection in the form of a replacement Lien on such additional collateral, which Lien is subordinated to the Liens securing the Senior Obligations and such DIP Financing (and all obligations relating thereto) on the same basis as the other Liens securing the Second Priority Debt Obligations are so subordinated to the Liens securing Senior Obligations under this Agreement and (ii) in the event any of the Second Priority Representatives, for themselves and on behalf of the Second Priority Debt Parties under their Second Priority Debt Facilities, seek or request adequate protection and such adequate protection is granted in the form of additional collateral, then such Second Priority Representatives, for themselves and on behalf of each Second Priority Debt Party under their Second Priority Debt Facilities, agree that the Senior Collateral Agent shall also be granted a senior Lien on such additional collateral as security for the Senior Obligations and any such DIP Financing and that any Lien on such additional collateral securing the Second Priority Debt Obligations shall be subordinated to the Liens on such collateral securing the Senior Obligations and any such DIP Financing (and all obligations relating thereto) and any other Liens granted to the Senior Secured Parties as adequate protection on the same basis as the other Liens securing the Second Priority Debt Obligations are so subordinated to such Liens securing Senior Obligations under this Agreement.

SECTION 6.05. Preference Issues . If any Senior Secured Party is required in any Insolvency or Liquidation Proceeding or otherwise to disgorge, turn over or otherwise pay any amount to the estate of Holdings, the Borrower or any other Grantor (or any trustee, receiver or similar Person therefor), because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason, any amount (a " **Recovery** "), whether received as proceeds of security, enforcement of any right of setoff or otherwise, then the Senior Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the Senior Secured Parties shall be entitled to a Discharge of Senior Obligations with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby agrees that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this

Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

SECTION 6.06. Separate Grants of Security and Separate Classifications . Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, acknowledges and agrees that (a) the grants of Liens pursuant to the Senior Collateral Documents and the Second Priority Collateral Documents constitute two separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Shared Collateral, the Second Priority Debt Obligations are fundamentally different from the Senior Obligations and must be separately classified in any Chapter 11 plan or similar restructuring plan proposed or adopted in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the Senior Secured Parties and the Second Priority Debt Parties in respect of the Shared Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby acknowledges and agrees that all distributions shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the Shared Collateral (with the effect being that, to the extent that the aggregate value of the Shared Collateral is sufficient (for this purpose ignoring all claims held by the Second Priority Debt Parties), the Senior Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of post-petition interest (whether or not allowed or allowable) before any distribution is made in respect of the Second Priority Debt Obligations), with each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby acknowledging and agreeing to turn over to the Senior Collateral Agent amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Priority Debt Parties.

SECTION 6.07. No Waivers of Rights of Senior Secured Parties . Nothing contained herein shall, except as expressly provided herein, prohibit or in any way limit the Senior Collateral Agent, any Senior Representative or any other Senior Secured Party from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by any Second Priority Debt Party, including the seeking by any Second Priority Debt Party of adequate protection or the asserting by any Second Priority Debt Party of any of its rights and remedies under the Second Priority Debt Documents or otherwise.

SECTION 6.08. Application . This Agreement, which the parties hereto expressly acknowledge is a “subordination agreement” under Section 510(a) of Title 11 of the United States Code or any similar provision of any other Bankruptcy Law, shall be effective before, during and after the commencement of any Insolvency or Liquidation

Proceeding. The relative rights as to the Shared Collateral and proceeds thereof shall continue after the commencement of any Insolvency or Liquidation Proceeding on the same basis as prior to the date of the petition therefor, subject to any court order approving the financing of, or use of cash collateral by, any Grantor. All references herein to any Grantor shall include such Grantor as a debtor-in-possession and any receiver or trustee for such Grantor.

SECTION 6.09. Other Matters . To the extent that any Second Priority Representative or any Second Priority Debt Party has or acquires rights under Section 363 or Section 364 of Title 11 of the United States Code or any similar provision of any other Bankruptcy Law with respect to any of the Shared Collateral, such Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, agrees not to assert any such rights without the prior written consent of the Senior Collateral Agent, provided that if requested by the Senior Collateral Agent, such Second Priority Representative shall timely exercise such rights in the manner requested by the Senior Collateral Agent, including any rights to payments in respect of such rights.

SECTION 6.10. Reorganization Securities . If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a plan of reorganization or similar dispositive restructuring plan, on account of both the Senior Obligations and the Second Priority Debt Obligations, then, to the extent the debt obligations distributed on account of the Senior Obligations and on account of the Second Priority Debt Obligations are secured by Liens upon the same assets or property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

ARTICLE VII

Reliance; etc.

SECTION 7.01. Reliance . The consent by the Senior Secured Parties to the execution and delivery of the Second Priority Debt Documents to which the Senior Secured Parties have consented and all loans and other extensions of credit made or deemed made on and after the date hereof by the Senior Secured Parties to Holdings, the Borrower or any Subsidiary shall be deemed to have been given and made in reliance upon this Agreement. Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, acknowledges that it and such Second Priority Debt Parties have, independently and without reliance on the Senior Collateral Agent or any Senior Representative or other Senior Secured Party, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the Second Priority Debt Documents to which they are party or by which they are bound, this Agreement and the transactions contemplated hereby and thereby, and they will continue to make their own credit decision in taking or not taking any action under the Second Priority Debt Documents or this Agreement.

SECTION 7.02. No Warranties or Liability . Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, acknowledges and agrees that neither the Senior Collateral Agent nor any Senior Representative or other Secured Party has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Senior Debt Documents, the ownership of any Shared Collateral or the perfection or priority of any Liens thereon. The Senior Secured Parties will be entitled to manage and supervise their respective loans and extensions of credit under the Senior Debt Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate, and the Senior Secured Parties may manage their loans and extensions of credit without regard to any rights or interests that the Second Priority Representatives and the Second Priority Debt Parties have in the Shared Collateral or otherwise, except as otherwise provided in this Agreement. Neither the Senior Collateral Agent nor any Senior Representative or other Senior Secured Party shall have any duty to any Second Priority Representative or Second Priority Debt Party to act or refrain from acting in a manner that allows, or results in, the occurrence or continuance of an event of default or default under any agreement with Holdings, the Borrower or any Subsidiary (including the Second Priority Debt Documents), regardless of any knowledge thereof that they may have or be charged with. Except as expressly set forth in this Agreement, the Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties have not otherwise made to each other, nor do they hereby make to each other, any warranties, express or implied, nor do they assume any liability to each other with respect to (a) the enforceability, validity, value or collectibility of any of the Senior Obligations, the Second Priority Debt Obligations or any guarantee or security which may have been granted to any of them in connection therewith, (b) any Grantor's title to or right to transfer any of the Shared Collateral or (c) any other matter except as expressly set forth in this Agreement.

SECTION 7.03. Obligations Unconditional . All rights, interests, agreements and obligations of the Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Senior Debt Document or any Second Priority Debt Document;

(b) any change in the time, manner or place of payment of, or in any other terms of, all or any of the Senior Obligations or Second Priority Debt Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of the Credit Agreement or any other Senior Debt Document or of the terms of any Second Priority Debt Document;

(c) any exchange of any security interest in any Shared Collateral or any other collateral or any amendment, waiver or other modification, whether in writing or by

course of conduct or otherwise, of all or any of the Senior Obligations or Second Priority Debt Obligations or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of Holdings, the Borrower or any other Grantor; or

(e) any other circumstances that otherwise might constitute a defense available to, or a discharge of, (i) Holdings, the Borrower or any other Grantor in respect of the Senior Obligations or (ii) any Second Priority Representative or Second Priority Debt Party in respect of this Agreement.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Conflicts . In the event of any conflict between the provisions of this Agreement and the provisions of any Senior Debt Document or any Second Priority Debt Document, the provisions of this Agreement shall govern.

SECTION 8.02. Continuing Nature of this Agreement; Severability . Subject to Section 5.05, this Agreement shall continue to be effective until the Discharge of Senior Obligations shall have occurred. This is a continuing agreement of Lien subordination, and the Senior Secured Parties may continue, at any time and without notice to the Second Priority Representatives or any Second Priority Debt Party, to extend credit and other financial accommodations and lend monies to or for the benefit of Holdings, the Borrower or any Subsidiary constituting Senior Obligations in reliance hereon. The terms of this Agreement shall survive and continue in full force and effect in any Insolvency or Liquidation Proceeding. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate 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. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8.03. Amendments; Waivers . (a) No failure or delay on the part of any party hereto in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

(b) The Majority Senior Parties (or the Senior Collateral Agent acting with the approval of the Majority Senior Parties) and the Second Priority Instructing Group (and with respect to any such amendment, supplement or waiver (i) which by the terms of this Agreement requires the Borrower's consent or which increases the obligations or reduces the rights of Holdings, the Borrower or any Grantor, with the consent of the Borrower, (ii) which by the terms of this Agreement requires the consent of any Second Priority Representative or which increases the obligations or reduces the rights of a Second Priority Representative, with the consent of such Second Priority Representative, (iii) which by its terms adversely affects the rights of the Second Priority Debt Parties under a particular Second Priority Debt Facility, in a manner materially different from its effect on the other Second Priority Debt Facilities, with the consent of the Representative for such Second Priority Debt Facility and (iv) which by its terms adversely affects the rights of the Senior Secured Parties under a particular Senior Debt Facility in a manner materially different from its effect on the other Senior Debt Facilities, with the consent of the Representative for such Senior Debt Facility) may from time to time amend, supplement or waive any provision hereof. Any such amendment, supplement or waiver shall be in writing and shall be binding upon the Senior Secured Parties and the Second Priority Debt Parties and their respective successors and assigns.

(c) Notwithstanding the foregoing, without the consent of any Secured Party, any Representative may become a party hereto by execution and delivery of a Joinder Agreement in accordance with Section 8.09 of this Agreement and upon such execution and delivery, such Representative and the Secured Parties and Senior Obligations or Second Priority Debt Obligations of the Debt Facility for which such Representative is acting shall be subject to the terms hereof.

SECTION 8.04. Information Concerning Financial Condition of Holdings, the Borrower and the Subsidiaries . The Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties shall each be responsible for keeping themselves informed of (a) the financial condition of Holdings, the Borrower and the Subsidiaries and all endorsers or guarantors of the Senior Obligations or the Second Priority Debt Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the Senior Obligations or the Second Priority Debt Obligations. The Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties shall have no duty to advise any other party hereunder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that the Senior Collateral Agent, any Senior Representative, any Senior Secured Party, any Second Priority Representative or any Second Priority Debt Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to any other party, it shall be under no obligation to (i) make, and the Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties shall not make or be deemed to have made, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (ii) provide any additional information or to provide any such information on any subsequent occasion, (iii) undertake any investigation or (iv) disclose

any information that, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

SECTION 8.05. Subrogation . Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, hereby waives any rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Senior Obligations has occurred.

SECTION 8.06. Application of Payments . Except as otherwise provided herein, all payments received by the Senior Secured Parties may be applied, reversed and reapplied, in whole or in part, to such part of the Senior Obligations as the Senior Secured Parties, in their sole discretion, deem appropriate, consistent with the terms of the Senior Debt Documents. Except as otherwise provided herein, each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, assents to any such extension or postponement of the time of payment of the Senior Obligations or any part thereof and to any other indulgence with respect thereto, to any substitution, exchange or release of any security that may at any time secure any part of the Senior Obligations and to the addition or release of any other Person primarily or secondarily liable therefor.

SECTION 8.07. Additional Grantors . The Grantors agree that, if any Person shall become a Grantor after the date hereof, it will promptly cause such Person to become party hereto by executing and delivering an instrument in the form of Annex II. Upon such execution and delivery, such Person will become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of such instrument shall not require the consent of any other party hereunder, and will be acknowledged by the Designated Second Priority Representative and the Senior Collateral Agent. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

SECTION 8.08. Dealings with Grantors . Upon any application or demand by Holdings, the Borrower or any Grantor to the Senior Collateral Agent, the Majority Senior Parties, the Second Priority Instructing Group or the Designated Second Priority Representative to take or permit any action under any of the provisions of this Agreement or under any Collateral Document (if such action is subject to the provisions hereof), Holdings, the Borrower or such Grantor, as appropriate, shall furnish to the Designated Second Priority Representative or the Senior Collateral Agent a certificate of an appropriate officer (an " **Officer's Certificate** ") stating that all conditions precedent, if any, provided for in this Agreement or such Collateral Document, as the case may be, relating to the proposed action have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Agreement or any Collateral Document relating to such particular application or demand, no additional certificate or opinion need be furnished.

SECTION 8.09. Additional Debt Facilities . (a) To the extent, but only to the extent, permitted by the provisions of the Senior Debt Documents and the Second Priority Debt Documents, Holdings, the Borrower and the other Grantors may incur or issue and sell one or more series or classes of Second Priority Debt and one or more series or classes of Additional Senior Debt. Any such additional class or series of Second Priority Debt (the **"Second Priority Class Debt"**) may be secured by a second priority, subordinated Lien on Shared Collateral, in each case under and pursuant to the relevant Second Priority Collateral Documents for such Second Priority Class Debt, if and subject to the condition that the Representative of any such Second Priority Class Debt (each, a **" Second Priority Class Debt Representative "**), acting on behalf of the holders of such Second Priority Class Debt (such Representative and holders in respect of any Second Priority Class Debt being referred to as the **" Second Priority Class Debt Parties "**), becomes a party to this Agreement by satisfying conditions (i) through (v), as applicable, of Section 8.09(b). Any such additional class or series of Senior Facilities (the **" Senior Class Debt "** ; and the Senior Class Debt and Second Priority Class Debt, collectively, the " **Class Debt** ") may be secured by a senior Lien on Shared Collateral, in each case under and pursuant to the Senior Collateral Documents, if and subject to the condition that the Representative of any such Senior Class Debt (each, a **" Senior Class Debt Representative "** ; and the Senior Class Debt Representatives and Second Priority Class Debt Representatives, collectively, the **" Class Debt Representatives "**), acting on behalf of the holders of such Senior Class Debt (such Representative and holders in respect of any such Senior Class Debt being referred to as the **" Senior Class Debt Parties** ; and the Senior Class Debt Parties and Second Priority Class Debt Parties, collectively, the **" Class Debt Parties"**), becomes a party to this Agreement by satisfying the conditions set forth in clauses (i) through (v), as applicable, of Section 8.09(b).

(b) In order for a Class Debt Representative to become a party to this Agreement:

(i) such Class Debt Representative shall have executed and delivered a Joinder Agreement substantially in the form of Annex III (if such Representative is a Second Priority Class Debt Representative) or Annex IV (if such Representative is a Senior Class Debt Representative) (with such changes as may be reasonably approved by the Senior Collateral Agent and such Class Debt Representative) pursuant to which it becomes a Representative hereunder, and the Class Debt in respect of which such Class Debt Representative is the Representative and the related Class Debt Parties become subject hereto and bound hereby;

(ii) the Borrower shall have delivered to the Senior Collateral Agent and the Designated Second Priority Representative true and complete copies of each of the Second Priority Debt Documents or Senior Debt Documents, as applicable, relating to such Class Debt, certified as being true and correct by the Responsible Officer of the Borrower;

(iii) in the case of any Second Priority Class Debt, all filings, recordations and/or amendments or supplements to the Second Priority Collateral Documents

necessary or desirable in the opinion of the Designated Second Priority Representative to confirm and perfect the second priority Liens securing the relevant Second Priority Debt Obligations relating to such Class Debt shall have been made, executed and/or delivered (or, with respect to any such filings or recordations, acceptable provisions to perform such filings or recordings have been taken in the reasonable judgment of the Designated Second Priority Representative), and all fees and taxes in connection therewith shall have been paid (or acceptable provisions to make such payments have been taken in the reasonable judgment of the Collateral Agent);

(iv) in the case of any Senior Class Debt, all filings, recordations and/or amendments or supplements to the Senior Collateral Documents necessary or desirable in the opinion of the Senior Collateral Agent to confirm and perfect the senior Liens securing the relevant Senior Obligations relating to such Class Debt shall have been made, executed and/or delivered (or, with respect to any such filings or recordations, acceptable provisions to perform such filings or recordings have been taken in the reasonable judgment of the Senior Collateral Agent), and all fees and taxes in connection therewith shall have been paid; and

(v) the Second Priority Debt Documents or Senior Debt Documents, as applicable, relating to such Class Debt shall provide, in a manner reasonably satisfactory to the Senior Collateral Agent and the Designated Second Priority Representative, that each Class Debt Party with respect to such Class Debt will be subject to and bound by the provisions of this Agreement in its capacity as a holder of such Class Debt.

SECTION 8.10. Consent to Jurisdiction; Waivers . The Senior Collateral Agent and each Representative, on behalf of itself and the Secured Parties of the Debt Facility for which it is acting, irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the Collateral Documents, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person (or its Representative) at the address referred to in Section 8.11;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Secured Party) to effect service of process in any other manner permitted by law; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 8.10 any special, exemplary, punitive or consequential damages.

SECTION 8.11. Notices . All notices, requests, demands and other communications provided for or permitted hereunder shall be in writing and shall be sent:

(i) if to Holdings, the Borrower or any other Grantor, to the Borrower, at at 1100 San Leandro Blvd., Suite 400, San Leandro, CA 94577, Attention of William Porter (Tel No. 510-875-7229, Fax No. 510-352-6480);

(ii) if to the Initial Second Priority Representative to it at Wilmington Trust, National Association, 50 South Sixth Street, Suite 1290, Minneapolis, MN 55402, Attention of Renee Kuhl (Fax No.: 612-217-5651, email: rkuhl@wilmingtontrust.com);

(iii) if to the original Senior Collateral Agent or the Administrative Agent, to it at JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 500 Stanton Christiana Road, Ops 2, Newark, DE 19713, Attention of Jonathan Krepol (Tel No.: 302-634-1112, Fax No.: 302-634-3301), with a copy to JPMorgan Chase Bank, N.A., 383 Madison Avenue, New York, New York 10179, Attention of Robert D. Bryant (Tel No.: 212-270-6539, Fax No.: 212-270-5100);

(iv) if to any other Second Priority Representative or Senior Representative, to it at the address specified by it in the Joinder Agreement delivered by it pursuant to Section 8.09.

Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and, may be personally served, telecopied, electronically mailed or sent by courier service or U.S. mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or electronic mail or upon receipt via U.S. mail (registered or certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto shall be as set forth above or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties. As agreed to in writing among the Senior Collateral Agent and each Representative from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable person provided from time to time by such person.

SECTION 8.12. Further Assurances . Each of the Senior Collateral Agent, on behalf of itself and each Senior Secured Party, and each Second Party Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, agrees that it will take such further action and shall execute and

deliver such additional documents and instruments (in recordable form, if requested) as the other parties hereto may reasonably request to effectuate the terms of, and the Lien priorities contemplated by, this Agreement.

SECTION 8.13 **. GOVERNING LAW; WAIVER OF JURY TRIAL . (A) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS, EXCEPT AS REQUIRED BY MANDATORY PROVISIONS OF LAW.**

(B) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 8.14. Binding on Successors and Assigns . This Agreement shall be binding upon the Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives, the Second Priority Debt Parties, Holdings, the Borrower, the other Grantors party hereto and their respective successors and assigns.

SECTION 8.15. Section Titles . The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Agreement.

SECTION 8.16. Counterparts . This Agreement may be executed in one or more counterparts, including by means of facsimile, each of which shall be an original and all of which shall together constitute one and the same document. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 8.17. Authorization . By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement. The Senior Collateral Agent represents and warrants that this Agreement is binding upon the Credit Agreement Secured Parties. The Initial Second Priority Representative represents and warrants that this Agreement is binding upon the Initial Second Priority Debt Parties.

SECTION 8.18. No Third Party Beneficiaries; Successors and Assigns . The lien priorities set forth in this Agreement and the rights and benefits hereunder in respect of such lien priorities shall inure solely to the benefit of the Senior Collateral Agent, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties, and their respective permitted successors and assigns, and no other Person (including the Grantors, or any trustee, receiver, debtor in possession or bankruptcy estate in a bankruptcy or like proceeding) shall have or be entitled to assert such rights.

SECTION 8.19. Effectiveness . This Agreement shall become effective when executed and delivered by the parties hereto.

SECTION 8.20. Senior Collateral Agent . It is understood and agreed that (a) the Senior Collateral Agent is entering into this Agreement in (i) its capacities as Administrative Agent under the Credit Agreement and the provisions of Article VIII of the Credit Agreement applicable to it as administrative agent thereunder shall also apply to it as Senior Collateral Agent hereunder and (ii) its capacity as collateral agent under the Pari Passu Intercreditor Agreement (if applicable), and the provisions of Article IV of the Pari Passu Intercreditor Agreement applicable to it as collateral agent thereunder shall also apply to it as Senior Collateral Agent hereunder and (b) the Initial Second Priority Representative is entering into this Agreement in its capacity as Representative for the Initial Second Priority Debt Parties and the provisions of Article VIII of the Initial Second Priority Credit Agreement applicable to it as administrative agent thereunder shall also apply to it as Representative for the Initial Second Priority Debt Parties hereunder.

SECTION 8.21. Relative Rights . Notwithstanding anything in this Agreement to the contrary (except to the extent contemplated by Section 5.01(a), 5.01(d) or 5.02(b)), nothing in this Agreement is intended to or will (a) amend, waive or otherwise modify the provisions of the Credit Agreement, any other Senior Debt Document or any Second Priority Debt Documents, or permit Holdings, the Borrower or any Grantor to take any action, or fail to take any action, to the extent such action or failure would otherwise constitute a breach of, or default under, the Credit Agreement or any other Senior Debt Document or any Second Priority Debt Documents, (b) change the relative priorities of the Senior Obligations or the Liens granted under the Senior Collateral Documents on the Shared Collateral (or any other assets) as among the Senior Secured Parties, (c) otherwise change the relative rights of the Senior Secured Parties in respect of the Shared Collateral as among such Senior Secured Parties or (d) obligate Holdings, the Borrower or any Grantor to take any action, or fail to take any action, that would otherwise constitute a breach of, or default under, the Credit Agreement or any other Senior Debt Document or any Second Priority Debt Document.

SECTION 8.22. Survival of Agreement. All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

JPMORGAN CHASE BANK, N.A., as Administrative Agent and Senior Collateral Agent,

by_____
Name:
Title:

by_____
Name:
Title:

TRINET HR CORPORATION ,

by_____
Name:
Title:

TRINET GROUP, INC. ,

by_____
Name:
Title:

THE GRANTORS LISTED ON ANNEX I HERETO ,

by_____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Representative of the Initial Second Priority Debt Parties,

by_____
Name:
Title:

ANNEX I

Grantors

TriNet HR Corporation

TriNet Group, Inc.

TriNet HR V, Inc.

210 Park Avenue Holding, Inc.

Accord Human Resources, Inc.

Accord Human Resources 12, Inc.

SOI Holdings, Inc.

Strategic Outsourcing, Inc.

Ambrose Employer Group, LLC

ANNEX II

SUPPLEMENT NO. [ ] dated as of [ ], 20[ ] to the FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT dated as of August 20, 2013, (the " **First Lien/Second Lien Intercreditor Agreement** "), among TRINET HR CORPORATION, a California corporation (the " **Borrower** "), TRINET GROUP, INC., a Delaware corporation, the other Grantors party thereto, JPMORGAN CHASE BANK, N.A., as collateral agent for the Senior Secured Parties (in such capacity, the " **Senior Collateral Agent** ") and as Representative for the Credit Agreement Secured Parties, WILMINGTON TRUST, NATIONAL ASSOCIATION, as Representative for the Initial Second Priority Debt Parties, and each additional Second Priority Representative and Senior Representative that from time to time becomes a party thereto pursuant to Section 8.09 thereof.

A. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the First Lien/Second Lien Intercreditor Agreement.

B. The Grantors have entered into the First Lien/Second Lien Intercreditor Agreement. Pursuant to the Credit Agreement, certain Additional Senior Debt Documents and certain Second Priority Debt Documents, certain Subsidiaries (as defined in the Credit Agreement) of the Borrower are required to enter into the First Lien/Second Lien Intercreditor Agreement. Section 8.07 of the First Lien/Second Lien Intercreditor Agreement provides that such Subsidiary may become party to the First Lien/Second Lien Intercreditor Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the " **New Grantor** ") is executing this Supplement in accordance with the requirements of the Credit Agreement, the Second Priority Debt Documents and Additional Senior Debt Documents.

Accordingly, the Senior Collateral Agent and the New Grantor agree as follows:

SECTION 1. In accordance with Section 8.07 of the First Lien/Second Lien Intercreditor Agreement, the New Grantor by its signature below becomes a Grantor under the First Lien/Second Lien Intercreditor Agreement with the same force and effect as if originally named therein as a Grantor, and the New Grantor hereby agrees to all the terms and provisions of the First Lien/Second Lien Intercreditor Agreement applicable to it as a Grantor thereunder. Each reference to a "Grantor" in the First Lien/Second Lien Intercreditor Agreement shall be deemed to include the New Grantor. The First Lien/Second Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Grantor represents and warrants to the Senior Collateral Agent and the other Secured Parties that this Supplement has been duly

authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Senior Collateral Agent shall have received a counterpart of this Supplement that bears the signature of the New Grantor. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. Except as expressly supplemented hereby, the First Lien/Second Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the First Lien/Second Lien Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.11 of the First Lien/Second Lien Intercreditor Agreement. All communications and notices hereunder to the New Grantor shall be given to it in care of the Borrower as specified in the First Lien/Second Lien Intercreditor Agreement.

SECTION 8. The Borrower agrees to reimburse the Senior Collateral Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Senior Collateral Agent.

IN WITNESS WHEREOF, the New Grantor, and the Senior Collateral Agent have duly executed this Supplement to the First Lien/Second Lien Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW GRANTOR],

By_____
Name:
Title:

Acknowledged by:

JPMORGAN CHASE BANK, N.A., as Senior Collateral Agent,

By _____
Name:
Title:

[ ], as Designated Second Priority Representative,

By_____
Name:
Title:

ANNEX III

[FORM OF] REPRESENTATIVE SUPPLEMENT NO. [ ] dated as of [ ], 20[ ] to the FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT dated as of August 20, 2013 (the " **First Lien/Second Lien Intercreditor Agreement** "), among TRINET HR CORPORATION, a California corporation (the " **Borrower** "), TRINET GROUP, INC., a Delaware corporation, the other Grantors (as defined therein) party thereto, JPMORGAN CHASE BANK, N.A., as collateral agent for the Senior Secured Parties (as defined therein) (in such capacity, the " **Senior Collateral Agent** ") and as Representative for the Credit Agreement Secured Parties, WILMINGTON TRUST, NATIONAL ASSOCIATION, as Representative for the Initial Second Priority Debt Parties and each additional Second Priority Representative and Senior Representative that from time to time becomes a party thereto pursuant to Section 8.09 thereof.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the First Lien/Second Lien Intercreditor Agreement.

B. As a condition to the ability of the Borrower to incur Second Priority Class Debt and to secure such Second Priority Class Debt with the Second Priority Lien and to have such Second Priority Class Debt guaranteed by the Grantors on a subordinated basis, in each case under and pursuant to the Second Priority Collateral Documents, the Second Priority Class Representative in respect of such Second Priority Class Debt is required to become a Representative under, and such Second Priority Class Debt and the Second Priority Class Debt Parties in respect thereof are required to become subject to and bound by, the First Lien/Second Lien Intercreditor Agreement. Section 8.09 of the First Lien/Second Lien Intercreditor Agreement provides that such Second Priority Class Debt Representative may become a Representative under, and such Second Priority Class Debt and such Second Priority Class Debt Parties may become subject to and bound by, the First Lien/Second Lien Intercreditor Agreement, pursuant to the execution and delivery by the Second Priority Class Debt Representative of an instrument in the form of this Representative Supplement and the satisfaction of the other conditions set forth in Section 8.09 of the First Lien/Second Lien Intercreditor Agreement. The undersigned Second Priority Class Debt Representative (the " **New Representative** ") is executing this Supplement in accordance with the requirements of the Senior Debt Documents and the Second Priority Debt Documents.

Accordingly, the Senior Collateral Agent and the New Representative agree as follows:

SECTION 1. In accordance with Section 8.09 of the First Lien/Second Lien Intercreditor Agreement, the New Representative by its signature below becomes a Representative under, and the related Second Priority Class Debt and Second Priority Class Debt Parties become subject to and bound by, the First Lien/Second Lien

Intercreditor Agreement with the same force and effect as if the New Representative had originally been named therein as a Representative, and the New Representative, on behalf of itself and such Second Priority Class Debt Parties, hereby agrees to all the terms and provisions of the First Lien/Second Lien Intercreditor Agreement applicable to it as a Second Priority Representative and to the Second Priority Class Debt Parties that it represents as Second Priority Debt Parties. Each reference to a " **Representative** " or " **Second Priority Representative** " in the First Lien/Second Lien Intercreditor Agreement shall be deemed to include the New Representative. The First Lien/Second Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants to the Senior Collateral Agent and the other Secured Parties that (i) it has full power and authority to enter into this Representative Supplement, in its capacity as [agent] [trustee], (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Second Priority Debt Documents relating to such Second Priority Class Debt provide that, upon the New Representative's entry into this Agreement, the Second Priority Class Debt Parties in respect of such Second Priority Class Debt will be subject to and bound by the provisions of the First Lien/Second Lien Intercreditor Agreement as Second Priority Debt Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Supplement shall become effective when the Senior Collateral Agent shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile transmission shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the First Lien/Second Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS REPRESENTATIVE SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the First Lien/Second Lien Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.11 of the First Lien/Second Lien Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

SECTION 8. The Borrower agrees to reimburse the Senior Collateral Agent for its reasonable out-of-pocket expenses in connection with this Representative Supplement, including the reasonable fees, other charges and disbursements of counsel for the Senior Collateral Agent.

IN WITNESS WHEREOF, the New Representative and the Senior Collateral Agent have duly executed this Representative Supplement to the First Lien/Second Lien Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW REPRESENTATIVE], as
[ ] for the holders of
[ ],

by _____
Name:
Title:

Address for notices:

_____

_____

attention of: _____

Telecopy: _____

JPMORGAN CHASE BANK, N.A.,
as Senior Collateral Agent,

by _____
Name:
Title:

Acknowledged by:

TRINET HR CORPORATION,

by _____
Name:
Title:

TRINET GROUP, INC.,

by _____
Name:
Title:

THE GRANTORS
LISTED ON SCHEDULE I HERETO,

by _____
Name:
Title:

Schedule I to the
Representative Supplement to the
First Lien/Second Lien Intercreditor Agreement

Additional Grantors

[ ]

ANNEX IV

[FORM OF] REPRESENTATIVE SUPPLEMENT NO. [ ] dated as of [ ], 20[ ] to the FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT dated as of August 20, 2013 (the " **First Lien/Second Lien Intercreditor Agreement** "), among TRINET HR CORPORATION, a California corporation (the " **Borrower** "), TRINET GROUP, INC., a Delaware corporation, the other Grantors (as defined therein) party thereto, JPMORGAN CHASE BANK, N.A., as collateral agent for the Senior Secured Parties (as defined therein) (in such capacity, the " **Senior Collateral Agent** ") and as Representative for the Credit Agreement Secured Parties, WILMINGTON TRUST, NATIONAL ASSOCIATION, as Representative for the Initial Second Priority Debt Parties and each additional Second Priority Representative and Senior Representative that from time to time becomes a party thereto pursuant to Section 8.09 thereof.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the First Lien/Second Lien Intercreditor Agreement.

B. As a condition to the ability of the Borrower to incur Senior Class Debt after the date of the First Lien/Second Lien Intercreditor Agreement and to secure such Senior Class Debt with the Senior Lien and to have such Senior Class Debt guaranteed by the Grantors on a senior basis, in each case under and pursuant to the Senior Collateral Documents, the Senior Class Debt Representative in respect of such Senior Class Debt is required to become a Representative under, and such Senior Class Debt and the Senior Class Debt Parties in respect thereof are required to become subject to and bound by, the First Lien/Second Lien Intercreditor Agreement. Section 8.09 of the First Lien/Second Lien Intercreditor Agreement provides that such Senior Class Debt Representative may become a Representative under, and such Senior Class Debt and such Senior Class Debt Parties may become subject to and bound by, the First Lien/Second Lien Intercreditor Agreement, pursuant to the execution and delivery by the Senior Class Debt Representative of an instrument in the form of this Representative Supplement and the satisfaction of the other conditions set forth in Section 8.09 of the First Lien/Second Lien Intercreditor Agreement. The undersigned Senior Class Debt Representative (the " **New Representative** ") is executing this Supplement in accordance with the requirements of the Senior Debt Documents and the Second Priority Debt Documents.

Accordingly, the Senior Collateral Agent and the New Representative agree as follows:

SECTION 1. In accordance with Section 8.09 of the First Lien/Second Lien Intercreditor Agreement, the New Representative by its signature below becomes a Representative under, and the related Senior Class Debt and Senior Class Debt Parties become subject to and bound by, the First Lien/Second Lien Intercreditor Agreement with the same force and effect as if the New Representative had originally been named

therein as a Representative, and the New Representative, on behalf of itself and such Senior Class Debt Parties, hereby agrees to all the terms and provisions of the First Lien/Second Lien Intercreditor Agreement applicable to it as a Senior Representative and to the Senior Class Debt Parties that it represents as Senior Debt Parties. Each reference to a " **Representative** " or " **Senior Representative** " in the First Lien/Second Lien Intercreditor Agreement shall be deemed to include the New Representative. The First Lien/Second Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants to the Senior Collateral Agent and the other Secured Parties that (i) it has full power and authority to enter into this Representative Supplement, in its capacity as [agent] [trustee], (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Senior Debt Documents relating to such Senior Class Debt provide that, upon the New Representative's entry into this Agreement, the Senior Class Debt Parties in respect of such Senior Class Debt will be subject to and bound by the provisions of the First Lien/Second Lien Intercreditor Agreement as Senior Secured Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Supplement shall become effective when the Senior Collateral Agent shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile transmission shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the First Lien/Second Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS REPRESENTATIVE SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the First Lien/Second Lien Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.11 of the First Lien/Second Lien Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

SECTION 8. The Borrower agrees to reimburse the Senior Collateral Agent for its reasonable out-of-pocket expenses in connection with this Representative Supplement, including the reasonable fees, other charges and disbursements of counsel for the Senior Collateral Agent.

IN WITNESS WHEREOF, the New Representative and the Senior Collateral Agent have duly executed this Representative Supplement to the First Lien/Second Lien Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW REPRESENTATIVE], as
[ ] for the holders of
[ ],

by_____
Name:
Title:

Address for notices:

_____

_____

attention of: _____

Telecopy: _____

JPMORGAN CHASE BANK, N.A.,
as Senior Collateral Agent,

by_____
Name:
Title:

Acknowledged by:

TRINET HR CORPORATION,

by_____
Name:
Title:

TRINET GROUP, INC.,

by_____
Name:
Title:

THE GRANTORS
LISTED ON SCHEDULE I HERETO,

by_____
Name:
Title:

Schedule I to the
Representative Supplement to the
First Lien/Second Lien Intercreditor Agreement

Additional Grantors

[ ]

EXHIBIT G-2

FORM OF

PARI PASSU INTERCREDITOR AGREEMENT

Among

TRINET HR CORPORATION,

TRINET GROUP, INC.,

the other Grantors party hereto,

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Agent for the Second Lien Secured Parties and
as Authorized Representative for the Credit Agreement Secured Parties,

[ ]
as the Initial Additional Authorized Representative

and

each additional Authorized Representative from time to time party hereto

dated as of [ ], 20[ ]

PARI PASSU INTERCREDITOR AGREEMENT dated as of [ ], 20[ ] (as amended, supplemented or otherwise modified from time to time, this " **Agreement** "), among TRINET HR CORPORATION, a California corporation (the " **Borrower** "), TRINET GROUP, INC., a Delaware corporation (" **Holdings** "), the other Grantors (as defined herein) party hereto, WILMINGTON TRUST, NATIONAL ASSOCIATION, as collateral agent for the Second Lien Secured Parties (as defined herein) (in such capacity, the " **Collateral Agent** ") and as Authorized Representative for the Credit Agreement Secured Parties (in such capacity, the " **Administrative Agent** "), [INSERT NAME AND CAPACITY], as Authorized Representative for the Initial Additional Second Lien Secured Parties (in such capacity and together with its successors in such capacity, the " **Initial Additional Authorized Representative** "), and each additional Authorized Representative from time to time party hereto for the Additional Second Lien Secured Parties of the Series with respect to which it is acting in such capacity.

In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Collateral Agent, the Administrative Agent (for itself and on behalf of the Credit Agreement Secured Parties), the Initial Additional Authorized Representative (for itself and on behalf of the Initial Additional Second Lien Secured Parties) and each additional Authorized Representative (for itself and on behalf of the Additional Second Lien Secured Parties of the applicable Series) agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Defined Terms . Capitalized terms used but not otherwise defined herein have the meanings set forth in the Credit Agreement or the Collateral Agreement, as applicable, or, if defined in the New York UCC, and not otherwise defined herein, in the Credit Agreement or the Collateral Agreement, the meanings specified therein. As used in this Agreement, the following terms have the meanings specified below:

" **Additional Second Lien Documents** " means, with respect to any Series of Additional Second Lien Obligations, the notes, credit agreements, indentures, security documents and other operative agreements evidencing or governing such Indebtedness, including the Initial Additional Second Lien Documents and each other agreement entered into for the purpose of securing any Series of Additional Second Lien Obligations.

" **Additional Second Lien Obligations** " means, with respect to any Series of Additional Second Lien Obligations, (a) all principal of, and interest (including any

interest which accrues after the commencement of any Bankruptcy Case, whether or not allowed or allowable as a claim in any such proceeding) payable with respect to, such Additional Second Lien Obligations, (b) all other amounts payable to the related Additional Second Lien Secured Parties under the related Additional Second Lien Documents and (c) any renewals or extensions of the foregoing.

" **Additional Second Lien Secured Party** " means the holders of any Additional Second Lien Obligations and any Authorized Representative with respect thereto and shall include the Initial Additional Second Lien Secured Parties.

" **Administrative Agent** " has the meaning assigned to such term in the introductory paragraph of this Agreement and shall include any successors thereto as provided in Article VIII of the Credit Agreement.

" **Agreement** " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" **Applicable Authorized Representative** " means, with respect to any Shared Collateral, (i) until the earlier of (x) the Discharge of Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Administrative Agent, and (ii) from and after the earlier of (x) the Discharge of Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Major Non-Controlling Authorized Representative.

" **Authorized Representative** " means (i) in the case of any Credit Agreement Obligations or the Credit Agreement Secured Parties, the Administrative Agent, (ii) in the case of the Initial Additional Second Lien Obligations or the Initial Additional Second Lien Secured Parties, the Initial Additional Authorized Representative, and (iii) in the case of any Series of Additional Second Lien Obligations or Additional Second Lien Secured Parties that become subject to this Agreement after the date hereof, the Authorized Representative named for such Series in the applicable Joinder Agreement.

" **Bankruptcy Case** " has the meaning assigned to such term in Section 2.05(b).

" **Bankruptcy Code** " means title 11 of the United States Code, as amended.

" **Bankruptcy Law** " means the Bankruptcy Code and any similar Federal, state or foreign law for the relief of debtors.

" **Borrower** " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" **Collateral** " means all assets and properties subject to Liens created pursuant to any Second Lien Security Document to secure one or more Series of Second Lien Obligations.

“ **Collateral Agent** ” has the meaning assigned to such term in the introductory paragraph of this Agreement.

“ **Collateral Agreement** ” means the “Collateral Agreement” as defined in the Credit Agreement.

“ **Controlling Secured Parties** ” means, with respect to any Shared Collateral, the Series of Second Lien Secured Parties whose Authorized Representative is the Applicable Authorized Representative for such Shared Collateral.

“ **Credit Agreement** ” means that certain Second Lien Credit Agreement dated as of August 20, 2013, among the Borrower, Holdings, the lenders from time to time party thereto and the Administrative Agent, as amended, restated, extended, supplemented or otherwise modified from time to time, and any credit agreement which has been designated as the “Credit Agreement” pursuant to the definition of Discharge of Credit Agreement Obligations.

“ **Credit Agreement Obligations** ” means the “Obligations” as defined in the Credit Agreement.

“ **Credit Agreement Secured Parties** ” means the “Secured Parties” as defined in the Credit Agreement.

“ **DIP Financing** ” has the meaning assigned to such term in Section 2.05(b).

“ **DIP Financing Liens** ” has the meaning assigned to such term in Section 2.05(b).

“ **DIP Lenders** ” has the meaning assigned to such term in Section 2.05(b).

“ **Discharge** ” means, with respect to any Shared Collateral and any Series of Second Lien Obligations, the date on which such Series of Second Lien Obligations is no longer secured by such Shared Collateral. The term “ **Discharged** ” shall have a corresponding meaning.

“ **Discharge of Credit Agreement Obligations** ” means, with respect to any Shared Collateral, the Discharge of the Credit Agreement Obligations with respect to such Shared Collateral; provided that the Discharge of Credit Agreement Obligations shall not be deemed to have occurred in connection with a Refinancing of such Credit Agreement Obligations with additional Second Lien Obligations secured by such Shared Collateral under an Additional Second Lien Document which has been designated in writing by the Administrative Agent (under the Credit Agreement so Refinanced) to the Collateral Agent and each other Authorized Representative as the “Credit Agreement” for purposes of this Agreement.

“ **Event of Default** ” means an “Event of Default” as defined in any Secured Credit Document.

First Lien/Second Lien Intercreditor Agreement ” means the “First Lien/Second Lien Intercreditor Agreement” as defined in the Credit Agreement.

“ **Grantors** ” means Holdings, the Borrower and each Guarantor which has granted a security interest pursuant to any Second Lien Security Document to secure any Series of Second Lien Obligations. The Grantors existing on the date hereof are set forth in Annex I hereto.

“ **Guarantors** ” means the “Guarantors” as defined in the Collateral Agreement.

“ **Impairment** ” has the meaning assigned to such term in Section 1.03.

“ **Initial Additional Authorized Representative** ” has the meaning assigned to such term in the introductory paragraph to this Agreement.

“ **Initial Additional Second Lien Documents** ” means that certain [[Loan Agreement] dated as of [ ], 20[ ] among the [Borrower], [the Guarantors identified therein] and [ ], as administrative agent, as amended, restated and supplemented from time to time] [[Indenture] dated as of [ ], 20[ ], among the [Borrower], [the Guarantors identified therein,] [ ], as [trustee], and [ ], as [paying agent, registrar and transfer agent]] and any notes, security documents and other operative agreements evidencing or governing such Indebtedness, including any agreement entered into for the purpose of securing the Initial Additional Second Lien Obligations.

“ **Initial Additional Second Lien Obligations** ” means the Additional Second Lien Obligations pursuant to the Initial Additional Second Lien Documents.

“ **Initial Additional Second Lien Secured Parties** ” means the holders of any Initial Additional Second Lien Obligations and the Initial Additional Authorized Representative.

“ **Insolvency or Liquidation Proceeding** ” means:

(1) any case commenced by or against Holdings, the Borrower or any other Grantor under any Bankruptcy Law, any other proceeding for the reorganization, recapitalization or adjustment of the assets or liabilities of Holdings, the Borrower or any other Grantor, any receivership or assignment for the benefit of creditors relating to Holdings, the Borrower or any other Grantor or any similar case or proceeding relative to Holdings, the Borrower or any other Grantor or its creditors, as such, in each case whether or not voluntary;

(2) any liquidation or dissolution of assets or liabilities or other winding up of or relating to Holdings, the Borrower or any other Grantor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(3) any other proceeding of any type or nature in which substantially all claims of creditors of Holdings, the Borrower or any other Grantor are determined and any payment or distribution is or may be made on account of such claims.

" **Intervening Creditor** " has the meaning assigned to such term in Section 2.01(a).

" **Joinder Agreement** " means a supplement to this Agreement in the form of Annex II hereof required to be delivered by an Authorized Representative to the Collateral Agent pursuant to Section 5.13 hereof in order to establish an additional Series of Additional Second Lien Obligations and become Additional Second Lien Secured Parties hereunder.

" **Major Non-Controlling Authorized Representative** " means, with respect to any Shared Collateral, the Authorized Representative of the Series of Additional Second Lien Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of Second Lien Obligations with respect to such Shared Collateral.

" **New York UCC** " means the Uniform Commercial Code as from time to time in effect in the State of New York.

" **Non-Controlling Authorized Representative** " means, at any time with respect to any Shared Collateral, any Authorized Representative that is not the Applicable Authorized Representative at such time with respect to such Shared Collateral.

" **Non-Controlling Authorized Representative Enforcement Date** " means, with respect to any Non-Controlling Authorized Representative, the date which is 90 days (throughout which 90 day period such Non-Controlling Authorized Representative was the Major Non-Controlling Authorized Representative) after the occurrence of both (i) an Event of Default (under and as defined in the Additional Second Lien Document under which such Non-Controlling Authorized Representative is the Authorized Representative) and (ii) the Collateral Agent's and each other Authorized Representative's receipt of written notice from such Non-Controlling Authorized Representative certifying that (x) such Non-Controlling Authorized Representative is the Major Non-Controlling Authorized Representative and that an Event of Default (under and as defined in the Additional Second Lien Document under which such Non-Controlling Authorized Representative is the Authorized Representative) has occurred and is continuing and (y) the Second Lien Obligations of the Series with respect to which such Non-Controlling Authorized Representative is the Authorized Representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable Additional Second Lien Document; provided that the Non-Controlling Authorized Representative Enforcement Date shall be stayed and shall not occur and shall be deemed not to have occurred with respect to any Shared Collateral (1) at any time the Administrative Agent or the Collateral Agent has commenced and is diligently pursuing any enforcement action with respect to such Shared Collateral or (2) at any time the Grantor which has granted a security interest in

such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any Insolvency or Liquidation Proceeding.

" **Non-Controlling Secured Parties** " means, with respect to any Shared Collateral, the Second Lien Secured Parties which are not Controlling Secured Parties with respect to such Shared Collateral.

" **Possessory Collateral** " means any Shared Collateral in the possession of the Collateral Agent (or its agents or bailees), to the extent that possession thereof perfects a Lien thereon under the Uniform Commercial Code of any jurisdiction. Possessory Collateral includes any certificated securities, promissory notes and instruments, in each case, delivered to or in the possession of the Collateral Agent under the terms of the Second Lien Security Documents.

" **Proceeds** " has the meaning assigned to such term in Section 2.01 hereof.

" **Refinance** " means, in respect of any indebtedness, to refinance, extend, renew, defease, amend, increase, modify, supplement, restructure, refund, replace or repay, or to issue other indebtedness or enter alternative financing arrangements, in exchange or replacement for such indebtedness (in whole or in part), including by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, and including in each case, but not limited to, after the original instrument giving rise to such indebtedness has been terminated and including, in each case, through any credit agreement, indenture or other agreement. " **Refinanced** " and " **Refinancing** " have correlative meanings.

" **Second Lien** " means the Liens on the Collateral in favor of the Second Lien Secured Parties under the Second Lien Security Documents.

" **Second Lien Obligations** " means, collectively, (i) the Credit Agreement Obligations and (ii) each Series of Additional Second Lien Obligations.

" **Second Lien Secured Parties** " means (i) the Credit Agreement Secured Parties and (ii) the Additional Second Lien Secured Parties with respect to each Series of Additional Second Lien Obligations.

" **Second Lien Security Documents** " means the Collateral Agreement, the other Security Documents (as defined in the Credit Agreement) and each other agreement entered into in favor of the Collateral Agent for the purpose of securing any Series of Second Lien Obligations and the First Lien/Second Lien Intercreditor Agreement.

" **Secured Credit Document** " means (i) the Credit Agreement and each other Loan Document (as defined in the Credit Agreement), (ii) each Initial Additional Second Lien Document and (iii) each Additional Second Lien Document.

" **Senior Class Debt** " has the meaning assigned to such term in Section 5.13.

“ **Senior Class Debt Parties** ” has the meaning assigned to such term in Section 5.13.

“ **Senior Class Debt Representative** ” has the meaning assigned to such term in Section 5.13.

“ **Series** ” means (a) with respect to the Second Lien Secured Parties, each of (i) the Credit Agreement Secured Parties (in their capacities as such), (ii) the Initial Additional Second Lien Secured Parties (in their capacity as such) and (iii) the Additional Second Lien Secured Parties that become subject to this Agreement after the date hereof that are represented by a common Authorized Representative (in its capacity as such for such Additional Second Lien Secured Parties) and (b) with respect to any Second Lien Obligations, each of (i) the Credit Agreement Obligations, (ii) the Initial Additional Second Lien Obligations and (iii) the Additional Second Lien Obligations incurred pursuant to any Additional Second Lien Document, which pursuant to any Joinder Agreement, are to be represented hereunder by a common Authorized Representative (in its capacity as such for such Additional Second Lien Obligations).

“ **Shared Collatera l** ” means, at any time, Collateral in which the holders of two or more Series of Second Lien Obligations (or their respective Authorized Representatives) hold a valid and perfected security interest at such time. If more than two Series of Second Lien Obligations are outstanding at any time and the holders of less than all Series of Second Lien Obligations hold a valid and perfected security interest in any Collateral at such time, then such Collateral shall constitute Shared Collateral for those Series of Second Lien Obligations that hold a valid security interest in such Collateral at such time and shall not constitute Shared Collateral for any Series which does not have a valid and perfected security interest in such Collateral at such time.

SECTION 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument, other document, statute or regulation herein shall be construed as referring to such agreement, instrument, other document, statute or regulation as from time to time amended, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, but shall not be deemed to include the subsidiaries of such Person unless express reference is made to such subsidiaries, (iii) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Articles, Sections and Annexes shall be construed to refer to Articles, Sections and Annexes of this Agreement, (v) unless otherwise expressly qualified herein, the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (vi) the term “or” is not exclusive.

SECTION 1.03. Impairments. It is the intention of the Second Lien Secured Parties of each Series that the holders of Second Lien Obligations of such Series (and not the Second Lien Secured Parties of any other Series) bear the risk of (i) any determination by a court of competent jurisdiction that (x) any of the Second Lien Obligations of such Series are unenforceable under applicable law or are subordinated to any other obligations (other than another Series of Second Lien Obligations), (y) any of the Second Lien Obligations of such Series do not have an enforceable security interest in any of the Collateral securing any other Series of Second Lien Obligations and/or (z) any intervening security interest exists securing any other obligations (other than another Series of Second Lien Obligations) on a basis ranking prior to the security interest of such Series of Second Lien Obligations but junior to the security interest of any other Series of Second Lien Obligations or (ii) the existence of any Collateral for any other Series of Second Lien Obligations that is not Shared Collateral (any such condition referred to in the foregoing clauses (i) or (ii) with respect to any Series of Second Lien Obligations, an " **Impairment** " of such Series). In the event of any Impairment with respect to any Series of Second Lien Obligations, the results of such Impairment shall be borne solely by the holders of such Series of Second Lien Obligations, and the rights of the holders of such Series of Second Lien Obligations (including the right to receive distributions in respect of such Series of Second Lien Obligations pursuant to Section 2.01) set forth herein shall be modified to the extent necessary so that the effects of such Impairment are borne solely by the holders of the Series of such Second Lien Obligations subject to such Impairment. Additionally, in the event the Second Lien Obligations of any Series are modified pursuant to applicable law (including, without limitation, pursuant to Section 1129 of the Bankruptcy Code), any reference to such Second Lien Obligations or the Second Lien Documents governing such Second Lien Obligations shall refer to such obligations or such documents as so modified.

ARTICLE II

Priorities and Agreements with Respect to Shared Collateral

SECTION 2.01. Priority of Claims. (a) Anything contained herein or in any of the Secured Credit Documents to the contrary notwithstanding (but subject to Section 1.03), if an Event of Default has occurred and is continuing, and the Collateral Agent or any Second Lien Secured Party is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made in respect of any Shared Collateral in any Bankruptcy Case of Holdings, the Borrower or any other Grantor or any Second Lien Secured Party receives any payment pursuant to any intercreditor agreement (other than this Agreement) with respect to any Shared Collateral, the proceeds of any sale, collection or other liquidation of any such Collateral by any Second Lien Secured Party or received by the Collateral Agent or any Second Lien Secured Party pursuant to any such intercreditor agreement with respect to such Shared Collateral and proceeds of any such distribution (subject, in the case of any such distribution, to the sentence immediately following) to which the Second Lien Obligations are entitled under any intercreditor agreement (other than this Agreement) (all proceeds of any sale, collection or other liquidation of any Collateral and all proceeds of any such distribution being collectively referred to as " **Proceeds** "), shall be applied (i) FIRST, to the payment of all

amounts owing to the Collateral Agent (in its capacity as such) pursuant to the terms of any Secured Credit Document, (ii) SECOND, subject to Section 1.03, to the payment in full of the Second Lien Obligations of each Series on a ratable basis in accordance with the terms of the applicable Secured Credit Documents and (iii) THIRD, after payment of all Second Lien Obligations, to Holdings, the Borrower and the other Grantors or their successors or assigns, as their interests may appear, or to whosoever may be lawfully entitled to receive the same pursuant to the First Lien/Second Lien Intercreditor Agreement, if applicable, or otherwise, or as a court of competent jurisdiction may direct. Notwithstanding the foregoing, with respect to any Shared Collateral upon which a third party (other than a Second Lien Secured Party) has a lien or security interest that is junior in priority to the security interest of any Series of Second Lien Obligations, after giving effect to the First Lien/Second Lien Intercreditor Agreement, if applicable, but senior (as determined by appropriate legal proceedings in the case of any dispute) to the security interest of any other Series of Second Lien Obligations (such third party an " **Intervening Creditor** "), the value of any Shared Collateral or Proceeds which are allocated to such Intervening Creditor shall be deducted on a ratable basis solely from the Shared Collateral or Proceeds to be distributed in respect of the Series of Second Lien Obligations with respect to which such Impairment exists.

(b) It is acknowledged that the Second Lien Obligations of any Series may, subject to the limitations set forth in the then extant Secured Credit Documents, be increased, extended, renewed, replaced, restated, supplemented, restructured, repaid, refunded, Refinanced or otherwise amended or modified from time to time, all without affecting the priorities set forth in Section 2.01(a) or the provisions of this Agreement defining the relative rights of the Second Lien Secured Parties of any Series.

(c) Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens securing any Series of Second Lien Obligations granted on the Shared Collateral and notwithstanding any provision of the Uniform Commercial Code of any jurisdiction, or any other applicable law or the Secured Credit Documents or any defect or deficiencies in the Liens securing the Second Lien Obligations of any Series or any other circumstance whatsoever (but, in each case, subject to Section 1.03), each Second Lien Secured Party hereby agrees that the Liens securing each Series of Second Lien Obligations on any Shared Collateral shall be of equal priority.

(d) Notwithstanding anything in this Agreement or any other Second Lien Security Documents to the contrary, Collateral held by the Administrative Agent or the Collateral Agent pursuant to Section 2.18(e) of the Credit Agreement (or any equivalent successor provision) shall be applied as specified in such Section of the Credit Agreement and will not constitute Shared Collateral.

SECTION 2.02. Actions with Respect to Shared Collateral; Prohibition on Contesting Liens. (a) With respect to any Shared Collateral, (i) only the Collateral Agent shall act or refrain from acting with respect to the Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral), and

then only on the instructions of the Applicable Authorized Representative, (ii) the Collateral Agent shall not follow any instructions with respect to such Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral) from any Non-Controlling Authorized Representative (or any other Second Lien Secured Party other than the Applicable Authorized Representative) and (iii) no Non-Controlling Authorized Representative or other Second Lien Secured Party (other than the Applicable Authorized Representative) shall or shall instruct the Collateral Agent to, commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral), whether under any Second Lien Security Document, applicable law or otherwise, it being agreed that only the Collateral Agent, acting on the instructions of the Applicable Authorized Representative and in accordance with the applicable Second Lien Security Documents, shall be entitled to take any such actions or exercise any such remedies with respect to Shared Collateral. Notwithstanding the equal priority of the Liens, the Collateral Agent (acting on the instructions of the Applicable Authorized Representative) may deal with the Shared Collateral as if such Applicable Authorized Representative had a senior Lien on such Collateral. No Non-Controlling Authorized Representative or Non-Controlling Secured Party will contest, protest or object to any foreclosure proceeding or action brought by the Collateral Agent, Applicable Authorized Representative or Controlling Secured Party or any other exercise by the Collateral Agent, Applicable Authorized Representative or Controlling Secured Party of any rights and remedies relating to the Shared Collateral, or to cause the Collateral Agent to do so. The foregoing shall not be construed to limit the rights and priorities of any Second Lien Secured Party, Collateral Agent or Authorized Representative with respect to any collateral not constituting Shared Collateral.

(b) Each of the Authorized Representatives agrees that it will not accept any Lien on any collateral for the benefit of any Series of Second Lien Obligations (other than funds deposited for the discharge or defeasance of any Additional Second Lien Document) other than pursuant to the Second Lien Security Documents and pursuant to Section 2.18(e) of the Credit Agreement, and by executing this Agreement (or a Joinder Agreement), each Authorized Representative and the Series of Second Lien Secured Parties for which it is acting hereunder agree to be bound by the provisions of this Agreement and the other Second Lien Security Documents applicable to it.

(c) Each of the Second Lien Secured Parties agrees that it will not (and hereby waives any right to) question or contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the perfection, priority, validity, attachment or enforceability of a Lien held by or on behalf of any of the Second Lien Secured Parties in all or any part of the Collateral, or the provisions of this Agreement; provided that nothing in this Agreement shall be

construed to prevent or impair the rights of any of the Collateral Agent or any Authorized Representative to enforce this Agreement.

SECTION 2.03. No Interference; Payment Over. (a) Each Second Lien Secured Party agrees that (i) it will not challenge or question in any proceeding the validity or enforceability of any Second Lien Obligations of any Series or any Second Lien Security Document or the validity, attachment, perfection or priority of any Lien under any Second Lien Security Document or the validity or enforceability of the priorities, rights or duties established by or other provisions of this Agreement, (ii) it will not take or cause to be taken any action the purpose or intent of which is, or could be, to interfere, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of the Shared Collateral by the Collateral Agent, (iii) except as provided in Section 2.02, it shall have no right to (A) direct the Collateral Agent or any other Second Lien Secured Party to exercise any right, remedy or power with respect to any Shared Collateral (including pursuant to any intercreditor agreement) or (B) consent to the exercise by the Collateral Agent or any other Second Lien Secured Party of any right, remedy or power with respect to any Shared Collateral, (iv) it will not institute any suit or assert in any suit, bankruptcy, insolvency or other proceeding any claim against the Collateral Agent or any other Second Lien Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral, and none of the Collateral Agent, any Applicable Authorized Representative or any other Second Lien Secured Party shall be liable for any action taken or omitted to be taken by the Collateral Agent, such Applicable Authorized Representative or other Second Lien Secured Party with respect to any Shared Collateral in accordance with the provisions of this Agreement, (v) it will not seek, and hereby waives any right, to have any Shared Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Collateral and (vi) it will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of any of the Collateral Agent or any other Second Lien Secured Party to enforce this Agreement.

(b) Each Second Lien Secured Party hereby agrees that if it shall obtain possession of any Shared Collateral or shall realize any proceeds or payment in respect of any such Shared Collateral, pursuant to any Second Lien Security Document or by the exercise of any rights available to it under applicable law or in any Insolvency or Liquidation Proceeding or through any other exercise of remedies (including pursuant to any intercreditor agreement), at any time prior to the Discharge of each of the Second Lien Obligations, then it shall hold such Shared Collateral, proceeds or payment in trust for the other Second Lien Secured Parties and promptly transfer such Shared Collateral, proceeds or payment, as the case may be, to the Collateral Agent, to be distributed in accordance with the provisions of Section 2.01 hereof.

SECTION 2.04. Automatic Release of Liens; Amendments to Second Lien Security Documents. (a) If, at any time the Collateral Agent forecloses upon or otherwise exercises remedies against any Shared Collateral resulting in a sale or disposition thereof, then (whether or not any Insolvency or Liquidation Proceeding is

pending at the time) the Liens in favor of the Collateral Agent for the benefit of each Series of Second Lien Secured Parties upon such Shared Collateral will automatically be released and discharged; provided that any proceeds of any Shared Collateral realized therefrom shall be applied pursuant to Section 2.01 hereof.

(b) Each Second Lien Secured Party agrees that the Applicable Authorized Representative may enter into any amendment (and, upon request by the Applicable Authorized Representative, each other Authorized Representative shall sign a consent to such amendment) to any Second Lien Security Document, so long as the Applicable Authorized Representative receives a certificate of the Borrower stating that such amendment is permitted by the terms of each then extant Secured Credit Document. Additionally, each Second Lien Secured Party agrees that the Applicable Authorized Representative may enter into any amendment (and, upon request by the Applicable Authorized Representative, each other Authorized Representative shall sign a consent to such amendment) to any Second Lien Security Document solely as such Second Lien Security Document relates to a particular Series of Second Lien Obligations so long as (x) such amendment is in accordance with the Secured Credit Document pursuant to which such Series of Second Lien Obligations was incurred and (y) such amendment does not adversely affect the Second Lien Secured Parties of any other Series.

(c) Each Authorized Representative agrees to execute and deliver (at the sole cost and expense of the Grantors) all such authorizations and other instruments as shall reasonably be requested by the Collateral Agent to evidence and confirm any release of Shared Collateral or amendment to any Second Lien Security Document provided for in this Section.

SECTION 2.05. Certain Agreements with Respect to Bankruptcy or Insolvency Proceedings. (a) This Agreement shall continue in full force and effect notwithstanding the commencement of any proceeding under the Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law by or against Holdings, the Borrower or any of the Subsidiaries.

(b) If Holdings, the Borrower and/or any other Grantor shall become subject to a case (a " **Bankruptcy Case** ") under the Bankruptcy Code and shall, as debtor(s)-in-possession, move for approval of financing (" **DIP Financing** ") to be provided by one or more lenders (the " **DIP Lenders** ") under Section 364 of the Bankruptcy Code or any equivalent provision of any other Bankruptcy Law or the use of cash collateral under Section 363 of the Bankruptcy Code or any equivalent provision of any other Bankruptcy Law, each Second Lien Secured Party (other than any Controlling Secured Party) agrees that it will raise no objection to any such financing or to the Liens on the Shared Collateral securing the same (" **DIP Financing Liens** ") or to any use of cash collateral that constitutes Shared Collateral, unless any Controlling Secured Party, or an Authorized Representative of any Controlling Secured Party, shall then oppose or object to such DIP Financing or such DIP Financing Liens or use of cash collateral (and (i) to the extent that such DIP Financing Liens are senior to the Liens on any such Shared Collateral for the benefit of the

Controlling Secured Parties, each Non-Controlling Secured Party will subordinate its Liens with respect to such Shared Collateral on the same terms as the Liens of the Controlling Secured Parties (other than any Liens of any Second Lien Secured Parties constituting DIP Financing Liens) are subordinated thereto and (ii) to the extent that such DIP Financing Liens rank pari passu with the Liens on any such Shared Collateral granted to secure the Second Lien Obligations of the Controlling Secured Parties, each Non-Controlling Secured Party will confirm the priorities with respect to such Shared Collateral as set forth herein), in each case so long as (A) the Second Lien Secured Parties of each Series retain the benefit of their Liens on all such Shared Collateral pledged to the DIP Lenders, including proceeds thereof arising after the commencement of such proceeding, with the same priority vis-a-vis all the other Second Lien Secured Parties (other than any Liens of the Second Lien Secured Parties constituting DIP Financing Liens) as existed prior to the commencement of the Bankruptcy Case, (B) the Second Lien Secured Parties of each Series are granted Liens on any additional collateral pledged to any Second Lien Secured Parties as adequate protection or otherwise in connection with such DIP Financing or use of cash collateral, with the same priority vis-a-vis the Second Lien Secured Parties as set forth in this Agreement, (C) if any amount of such DIP Financing or cash collateral is applied to repay any of the Second Lien Obligations, such amount is applied pursuant to Section 2.01 of this Agreement and (D) if any Second Lien Secured Parties are granted adequate protection, including in the form of periodic payments, in connection with such DIP Financing or use of cash collateral, the proceeds of such adequate protection are applied pursuant to Section 2.01 of this Agreement; provided that the Second Lien Secured Parties of each Series shall have a right to object to the grant of a Lien to secure the DIP Financing over any Collateral subject to Liens in favor of the Second Lien Secured Parties of such Series or its Authorized Representative that shall not constitute Shared Collateral; and provided , further , that the Second Lien Secured Parties receiving adequate protection shall not object to any other Second Lien Secured Party receiving adequate protection comparable to any adequate protection granted to such Second Lien Secured Parties in connection with a DIP Financing or use of cash collateral. Notwithstanding the provisions of Section 2.01 and this Section 2.05, (A) if the Second Lien Secured Parties of any Class are granted adequate protection in the form of periodic payments in connection with such DIP Financing or use of cash collateral, the proceeds of such adequate protection shall be for only the account of the Secured Parties of such Class and (B) no Second Lien Secured Party of any Class shall be prohibited from seeking adequate protection in the form of periodic payments to the extent that any Second Lien Secured Party of any other Class is receiving such payments or objecting to any DIP Financing or use of cash collateral on the basis that any Second Lien Secured Party of any other Class is receiving such payments (but the Second Lien Secured Parties of such Class are not).

SECTION 2.06. Reinstatement. In the event that any of the Second Lien Obligations shall be paid in full and such payment or any part thereof shall subsequently, for whatever reason (including an order or judgment for disgorgement of a preference under the Bankruptcy Code, or any similar law, or the settlement of any claim in respect thereof), be required to be returned or repaid, the terms and conditions of this Article II

shall be fully applicable thereto until all such Second Lien Obligations shall again have been paid in full in cash.

SECTION 2.07. Insurance. As between the Second Lien Secured Parties, the Collateral Agent, acting at the direction of the Applicable Authorized Representative, shall have the right to adjust or settle any insurance policy or claim covering or constituting Shared Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding affecting the Shared Collateral.

SECTION 2.08. Refinancings. The Second Lien Obligations of any Series may be Refinanced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the Refinancing transaction under any Secured Credit Document) of any Second Lien Secured Party of any other Series, all without affecting the priorities provided for herein or the other provisions hereof; provided that the Authorized Representative of the holders of any such Refinancing indebtedness shall have executed a Joinder Agreement on behalf of the holders of such Refinancing indebtedness.

SECTION 2.09. Possessory Collateral Agent as Gratuitous Bailee for Perfection. (a) Subject to the terms of the First Lien/Second Lien Intercreditor Agreement, the Collateral Agent agrees to hold any Shared Collateral constituting Possessory Collateral that is part of the Collateral in its possession or control (or in the possession or control of its agents or bailees) as gratuitous bailee for the benefit of each other Second Lien Secured Party and any assignee solely for the purpose of perfecting the security interest granted in such Possessory Collateral, if any, pursuant to the applicable Second Lien Security Documents, in each case, subject to the terms and conditions of this Section 2.09. Pending delivery to the Collateral Agent, each other Authorized Representative agrees to hold any Shared Collateral constituting Possessory Collateral, from time to time in its possession, as gratuitous bailee for the benefit of each other Second Lien Secured Party and any assignee, solely for the purpose of perfecting the security interest granted in such Possessory Collateral, if any, pursuant to the applicable Second Lien Security Documents, in each case, subject to the terms and conditions of this Section 2.09.

(b) The duties or responsibilities of the Collateral Agent and each other Authorized Representative under this Section 2.09 shall be limited solely to holding any Shared Collateral constituting Possessory Collateral as gratuitous bailee for the benefit of each other Second Lien Secured Party for purposes of perfecting the Lien held by such Second Lien Secured Parties therein.

ARTICLE III

Existence and Amounts of Liens and Obligations

SECTION 3.01. Determinations with Respect to Amounts of Liens and Obligations. Whenever the Collateral Agent or any Authorized Representative shall be required, in connection with the exercise of its rights or the performance of its obligations

hereunder, to determine the existence or amount of any Second Lien Obligations of any Series, or the Shared Collateral subject to any Lien securing the Second Lien Obligations of any Series, it may request that such information be furnished to it in writing by each other Authorized Representative and shall be entitled to make such determination on the basis of the information so furnished; provided , however , that if an Authorized Representative shall fail or refuse reasonably promptly to provide the requested information, the requesting Collateral Agent or Authorized Representative shall be entitled to make any such determination by such method as it may, in the exercise of its good faith judgment, determine, including by reliance upon a certificate of the Borrower. The Collateral Agent and each Authorized Representative may rely conclusively, and shall be fully protected in so relying, on any determination made by it in accordance with the provisions of the preceding sentence (or as otherwise directed by a court of competent jurisdiction) and shall have no liability to any Grantor, any Second Lien Secured Party or any other Person as a result of such determination.

ARTICLE IV

The Collateral Agent

SECTION 4.01. Appointment and Authority. (a) Each of the Second Lien Secured Parties hereby irrevocably appoints Wilmington Trust, National Association to act on its behalf as the Collateral Agent hereunder and under each of the other Second Lien Security Documents and authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof or thereof, including for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any Grantor to secure any of the Second Lien Obligations, together with such powers and discretion as are reasonably incidental thereto. Each of the Second Lien Secured Parties also authorizes Wilmington Trust, National Association, at the request of the Borrower, to execute and deliver the First Lien/Second Lien Intercreditor Agreement in the capacity as "Second Priority Representative", or the equivalent agent, however referred to for the Second Lien Secured Parties under such agreement (the " **Second Priority Representative** ") and authorizes the Collateral Agent, in accordance with the provisions of this Agreement, to take such actions on its behalf and to exercise such powers as are delegated to, or otherwise given to, the Second Priority Representative by the terms of the First Lien/Second Lien Intercreditor Agreement, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Collateral Agent and any co-agents, sub-agents and attorneys-in-fact appointed by the Collateral Agent pursuant to Section 4.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under any of the Second Lien Security Documents, or for exercising any rights and remedies thereunder or under the First Lien/Second Lien Intercreditor Agreement at the direction of the Applicable Authorized Representative, shall be entitled to the benefits of all provisions of this Article IV and Article VIII of the Credit Agreement and the equivalent provision of any Additional Second Lien Document (as though such co-agents, sub-agents and attorneys-in-fact were the "Collateral Agent" named therein) as if set forth in full herein with respect thereto.

(b) Each Non-Controlling Secured Party acknowledges and agrees that the Collateral Agent shall be entitled, for the benefit of the Second Lien Secured Parties, to sell, transfer or otherwise dispose of or deal with any Shared Collateral as provided herein and in the Second Lien Security Documents, without regard to any rights to which the holders of the Non-Controlling Secured Obligations would otherwise be entitled as a result of such Non-Controlling Secured Obligations. Without limiting the foregoing, each Non-Controlling Secured Party agrees that none of the Collateral Agent, the Applicable Authorized Representative or any other Second Lien Secured Party shall have any duty or obligation first to marshal or realize upon any type of Shared Collateral (or any other Collateral securing any of the Second Lien Obligations), or to sell, dispose of or otherwise liquidate all or any portion of such Shared Collateral (or any other Collateral securing any Second Lien Obligations), in any manner that would maximize the return to the Non-Controlling Secured Parties, notwithstanding that the order and timing of any such realization, sale, disposition or liquidation may affect the amount of proceeds actually received by the Non-Controlling Secured Parties from such realization, sale, disposition or liquidation. Each of the Second Lien Secured Parties waives any claim it may now or hereafter have against the Collateral Agent or the Authorized Representative of any other Series of Second Lien Obligations or any other Second Lien Secured Party of any other Series arising out of (i) any actions which the Collateral Agent, any Authorized Representative or any Second Lien Secured Party takes or omits to take (including, actions with respect to the creation, perfection or continuation of Liens on any Collateral, actions with respect to the foreclosure upon, sale, release or depreciation of, or failure to realize upon, any of the Collateral and actions with respect to the collection of any claim for all or any part of the Second Lien Obligations from any account debtor, guarantor or any other party) in accordance with the Second Lien Security Documents or any other agreement related thereto or to the collection of the Second Lien Obligations or the valuation, use, protection or release of any security for the Second Lien Obligations, (ii) any election by any Applicable Authorized Representative or any holders of Second Lien Obligations, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b) of the Bankruptcy Code or (iii) subject to Section 2.05, any borrowing by, or grant of a security interest or administrative expense priority under Section 364 of the Bankruptcy Code or any equivalent provision of any other Bankruptcy Law by, Holdings, the Borrower or any Subsidiary, as debtor-in-possession. Notwithstanding any other provision of this Agreement, the Collateral Agent shall not accept any Shared Collateral in full or partial satisfaction of any Second Lien Obligations pursuant to Section 9-620 of the Uniform Commercial Code of any jurisdiction, without the consent of each Authorized Representative representing holders of Second Lien Obligations for which such Collateral constitutes Shared Collateral.

(c) Each Authorized Representative acknowledges and agrees that upon execution and delivery of a Joinder Agreement substantially in the form of Annex II by an additional Senior Class Debt Representative, the Collateral Agent and each Grantor in accordance with Section 5.13, the Collateral Agent will continue to act in its capacity as Collateral Agent in respect of the then existing Authorized Representatives and such additional Authorized Representative.

SECTION 4.02. Rights as a Second Lien Secured Party. (a) The Person serving as the Collateral Agent hereunder shall have the same rights and powers in its capacity as a Second Lien Secured Party under any Series of Second Lien Obligations that it holds as any other Second Lien Secured Party of such Series and may exercise the same as though it were not the Collateral Agent and the term "Second Lien Secured Party" or "Second Lien Secured Parties" or (as applicable) "Credit Agreement Secured Party", "Credit Agreement Secured Parties", "Additional Second Lien Secured Party" or "Additional Second Lien Secured Parties" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Collateral Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Holdings, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Collateral Agent hereunder and without any duty to account therefor to any other Second Lien Secured Party.

SECTION 4.03. Exculpatory Provisions. The Collateral Agent shall not have any duties or obligations except those expressly set forth herein and in the other Second Lien Security Documents. Without limiting the generality of the foregoing, the Collateral Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Second Lien Security Documents that the Collateral Agent is required to exercise as directed in writing by the Applicable Authorized Representative; provided that the Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any Second Lien Security Document or applicable law;

(iii) shall not, except as expressly set forth herein and in the other Second Lien Security Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Holdings, the Borrower or any of their Affiliates that is communicated to or obtained by the Person serving as the Collateral Agent or any of its Affiliates in any capacity;

(iv) shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Applicable Authorized Representative or (ii) in the absence of its own gross negligence or wilful misconduct or (iii) in reliance on a certificate of an authorized officer of the Borrower stating that such action is permitted by the terms of this Agreement. The Collateral Agent shall be deemed not to have knowledge of any Event of Default under any Series of Second Lien Obligations unless and until notice describing such Event of Default is given to the Collateral Agent by the Authorized Representative of such Second Lien Obligations or the Borrower; and

(v) shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Second Lien Security Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Second Lien Security Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Second Lien Security Documents, (v) the value or the sufficiency of any Collateral for any Series of Second Lien Obligations or (vi) the satisfaction of any condition set forth in any Secured Credit Document, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent.

SECTION 4.04. Reliance by Collateral Agent. The Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. The Collateral Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 4.05. Delegation of Duties. The Collateral Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Second Lien Security Document by or through any one or more sub-agents appointed by the Collateral Agent. The Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Affiliates of the Collateral Agent and any such sub-agent.

SECTION 4.06. Resignation of Collateral Agent. The Collateral Agent may at any time give notice of its resignation as Collateral Agent under this Agreement and the other Second Lien Security Documents (including, if applicable, as Second Priority Representative under and as defined in the First Lien/Second Lien Intercreditor Agreement) to each Authorized Representative and the Borrower. Upon receipt of any such notice of resignation, the Applicable Authorized Representative shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in New York, New York, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Applicable Authorized Representative and shall have accepted such appointment within 30 days after the retiring Collateral Agent gives notice of its resignation, then the retiring Collateral Agent may, on behalf of the Second Lien Secured Parties, appoint a successor Collateral

Agent meeting the qualifications set forth above; provided that if the Collateral Agent shall notify the Borrower and each Authorized Representative that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Collateral Agent shall be discharged from its duties and obligations hereunder and under the other Second Lien Security Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Second Lien Secured Parties under any of the Second Lien Security Documents, the retiring Collateral Agent shall continue to hold such collateral security solely for purposes of maintaining the perfection of the security interests of the Second Lien Secured Parties therein until such time as a successor Collateral Agent is appointed but with no obligation to take any further action at the request of the Applicable Authorized Representative or any other Second Lien Secured Parties) and (b) all payments, communications and determinations provided to be made by, to or through the Collateral Agent shall instead be made by or to each Authorized Representative directly, until such time as the Applicable Authorized Representative appoints a successor Collateral Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Collateral Agent hereunder and under the Second Lien Security Documents (including, if applicable, acting as Second Priority Representative under the First Lien/Second Lien Intercreditor Agreement), such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Collateral Agent, and the retiring Collateral Agent shall be discharged from all of its duties and obligations hereunder or under the other Second Lien Security Documents (if not already discharged therefrom as provided above in this Section). After the retiring Collateral Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article IV and Article VIII of the Credit Agreement and the equivalent provision of any Additional Second Lien Document shall continue in effect for the benefit of such retiring Collateral Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Collateral Agent was acting as Collateral Agent. Upon any notice of resignation of the Collateral Agent hereunder and under the other Second Lien Security Documents, the Borrower agrees to use commercially reasonable efforts to transfer (and maintain the validity and priority of) the Liens in favor of the retiring Collateral Agent under the Second Lien Security Documents to the successor Collateral Agent.

SECTION 4.07. Non-Reliance on Collateral Agent and Other Second Lien Secured Parties. Each Second Lien Secured Party acknowledges that it has, independently and without reliance upon the Collateral Agent, any Authorized Representative or any other Second Lien Secured Party or any of their Affiliates and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Secured Credit Documents. Each Second Lien Secured Party also acknowledges that it will, independently and without reliance upon the Collateral Agent, any Authorized Representative or any other Second Lien Secured Party or any of their Affiliates and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Secured Credit Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 4.08. Collateral and Guaranty Matters. Each of the Second Lien Secured Parties irrevocably authorizes the Collateral Agent, at its option and in its discretion:

(i) to release any Lien on any property granted to or held by the Collateral Agent under any Second Lien Security Document in accordance with Section 2.04 or upon receipt of a written request from the Borrower stating that the release of such Lien is permitted by the terms of each then extant Secured Credit Document; and

(ii) to release any Grantor from its obligations under the Second Lien Security Documents upon receipt of a written request from the Borrower stating that such release is permitted by the terms of each then extant Secured Credit Document.

ARTICLE V

Miscellaneous

SECTION 5.01. Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to Holdings or the Borrower or any other Grantor, to it at [•], Attention of [•] (Fax No. [•]);

(b) if to the Collateral Agent or the Administrative Agent, to Wilmington Trust, National Association, Attention of [•] (Fax No. [•]);

(c) if to the Initial Additional Authorized Representative, to it at [ ]; and

(d) if to any other Additional Authorized Representative, to it at the address set forth in the applicable Joinder Agreement.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. Notices and communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by fax shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications to the parties hereunder may be delivered or furnished by electronic communication (including e-mail and Internet and intranet websites) pursuant to procedures approved by the Collateral Agent. The parties hereto may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to

particular notices or communications or may be rescinded by any such Person by notice to each other such Person.

SECTION 5.02. Waivers; Amendment; Joinder Agreements. (a) No failure or delay on the part of any party hereto in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be terminated, waived, amended or modified (other than pursuant to any Joinder Agreement) except pursuant to an agreement or agreements in writing entered into by each Authorized Representative and the Collateral Agent (and with respect to any such termination, waiver, amendment or modification which by the terms of this Agreement requires the Borrower's consent or which increases the obligations or reduces the rights of Holdings, the Borrower or any other Grantor, with the consent of the Borrower).

(c) Notwithstanding the foregoing, without the consent of any Second Lien Secured Party, any Authorized Representative may become a party hereto by execution and delivery of a Joinder Agreement in accordance with Section 5.13 of this Agreement and upon such execution and delivery, such Authorized Representative and the Additional Second Lien Secured Parties and Additional Second Lien Obligations of the Series for which such Authorized Representative is acting shall be subject to the terms hereof and the terms of the other Second Lien Security Documents applicable thereto.

(d) Notwithstanding the foregoing, without the consent of any other Authorized Representative or Second Lien Secured Party, the Collateral Agent may effect amendments and modifications to this Agreement to the extent necessary to reflect any incurrence of any Additional Second Lien Obligations in compliance with the Credit Agreement and the other Secured Credit Documents.

SECTION 5.03. Parties in Interest. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, as well as the other Second Lien Secured Parties, all of whom are intended to be bound by, and to be third party beneficiaries of, this Agreement.

SECTION 5.04. Survival of Agreement. All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered

to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

SECTION 5.05. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 5.06. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 5.07. Governing Law; Jurisdiction. This Agreement shall be construed in accordance with and governed by the law of the State of New York.

SECTION 5.08. Submission to Jurisdiction Waivers; Consent to Service of Process. The Collateral Agent and each Authorized Representative, on behalf of itself and the Second Lien Secured Parties of the Series for which it is acting, irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person (or its Authorized Representative) at the address referred to in 5.01;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Second Lien Secured Party) to effect service of process in any other manner permitted by law or shall limit the right of any party hereto (or any Second Lien Secured Party) to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 5.08 any special, exemplary, punitive or consequential damages.

SECTION 5.09. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 5.10. Headings. Article, Section and Annex headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 5.11. Conflicts. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of any of the other Second Lien Security Documents or Secured Credit Documents the provisions of this Agreement shall control.

SECTION 5.12. Provisions Solely to Define Relative Rights. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the Second Lien Secured Parties in relation to one another. None of Holdings, the Borrower, any other Grantor or any other creditor thereof shall have any rights or obligations hereunder, except as expressly provided in this Agreement (provided that nothing in this Agreement (other than Section 2.01(a)(iii), 2.04, 2.05, 2.08, 2.09, 4.06, 4.08 or Article V) is intended to or will amend, waive or otherwise modify the provisions of the Credit Agreement or any Additional Second Lien Documents), and none of Holdings, the Borrower or any other Grantor may rely on the terms hereof (other than Sections 2.01(a)(iii), 2.04, 2.05, 2.08, 2.09, 4.06, 4.08 and Article V). Nothing in this Agreement is intended to or shall impair the obligations of any Grantor, which are absolute and unconditional, to pay the Second Lien Obligations as and when the same shall become due and payable in accordance with their terms.

SECTION 5.13. Additional Senior Debt. To the extent, but only to the extent permitted by the provisions of the Credit Agreement and the Additional Second Lien Documents, Holdings, the Borrower and the other Grantors may incur Additional Second Lien Obligations. Any such additional class or series of Additional Second Lien Obligations (the " **Senior Class Debt** ") may be secured by a Lien by the Grantors on the Collateral and may be Guaranteed by the Grantors on a senior basis, in each case under and pursuant to the Second Lien Documents, if and subject to the condition that the Authorized Representative of any such Senior Class Debt (each, a " **Senior Class Debt Representative** "), acting on behalf of the holders of such Senior Class Debt (such Authorized Representative and holders in respect of any Senior Class Debt being referred to as the " **Senior Class Debt Parties** "), becomes a party to this Agreement by satisfying the conditions set forth in clauses (i) through (iv) of the immediately succeeding paragraph.

In order for a Senior Class Debt Representative to become a party to this Agreement,

(i) such Senior Class Debt Representative, the Collateral Agent and each Grantor shall have executed and delivered an instrument substantially in the form of Annex II (with such changes as may be reasonably approved by the Collateral Agent and such Senior Class Representative) pursuant to which such Senior Class Debt Representative becomes an Authorized Representative hereunder, and the Senior Class Debt in respect of which such Senior Class Debt Representative is the Representative and the related Senior Class Debt Parties become subject hereto and bound hereby;

(ii) the Borrower shall have delivered to the Collateral Agent true and complete copies of each of the Additional Second Lien Documents relating to such Senior Class Debt, certified as being true and correct by a Financial Officer of the Borrower;

(iii) all filings, recordations and/or amendments or supplements to the Second Lien Security Documents necessary or desirable in the reasonable judgment of the Collateral Agent to confirm and perfect the Liens securing the relevant obligations relating to such Senior Class Debt shall have been made, executed and/or delivered (or, with respect to any such filings or recordations, acceptable provisions to perform such filings or recordings have been taken in the reasonable judgment of the Collateral Agent), and all fees and taxes in connection therewith shall have been paid (or acceptable provisions to make such payments have been taken in the reasonable judgment of the Collateral Agent); and

(iv) the Additional Second Lien Documents, as applicable, relating to such Senior Class Debt shall provide, in a manner reasonably satisfactory to the Collateral Agent, that each Senior Class Debt Party with respect to such Senior Class Debt will be subject to and bound by the provisions of this Agreement in its capacity as a holder of such Senior Class Debt.

SECTION 5.14. Additional Grantors. The Grantors agree that, if any Person shall become a Guarantor after the date hereof, it will promptly cause such Person to become party hereto by executing and delivering an instrument in the form of Annex III. Upon such execution and delivery, such Person will become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of such instrument shall not require the consent of any other party hereunder, and will be acknowledged by the Applicable Authorized Representative and the Collateral Agent. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

SECTION 5.15. Integration. This Agreement, together with the other Secured Credit Documents and the Second Lien Security Documents, represents the agreement of each of the Grantors and the Second Lien Secured Parties with respect to

the subject matter hereof and there are no promises, undertakings, representations or warranties by any Grantor, the Collateral Agent or any other Second Lien Secured Party relative to the subject matter hereof not expressly set forth or referred to herein or in the other Secured Credit Documents or the Second Lien Security Documents.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Administrative Agent and Collateral Agent,

by_____
Name:
Title:

TRINET HR CORPORATION ,

by_____
Name:
Title:

TRINET GROUP, INC. ,

by_____
Name:
Title:

THE GRANTORS LISTED ON ANNEX I HERETO ,

by_____
Name:
Title:

[ ],
as Initial Additional Authorized Representative

by_____
Name:
Title:

ANNEX I

GRANTORS

[ ]

ANNEX II

[FORM OF] REPRESENTATIVE SUPPLEMENT NO. [ ] dated as of [ ], 20[ ] to the PARI PASSU INTERCREDITOR AGREEMENT dated as of [ ], 20[ ] (the " **Pari Passu Intercreditor Agreement** "), among TRINET HR CORPORATION, a California corporation (the " **Borrower** "), TRINET GROUP, INC., a Delaware corporation, the other Grantors from time to time party thereto, WILMINGTON TRUST, NATIONAL ASSOCIATION, as Collateral Agent for the Second Lien Secured Parties under the Second Lien Security Documents (in such capacity, the " **Collateral Agent** ") and as Authorized Representative under the Credit Agreement, [ ], as Initial Additional Authorized Representative, and the additional Authorized Representatives from time to time a party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Pari Passu Intercreditor Agreement.

B. As a condition to the ability of Holdings, the Borrower or other Grantors to incur Additional Second Lien Obligations and to secure such Senior Class Debt with the Second Lien by the Grantors and to have such Senior Class Debt guaranteed by the Grantors on a senior basis, in each case under and pursuant to the Second Lien Security Documents, the Senior Class Debt Representative in respect of such Senior Class Debt is required to become an Authorized Representative under, and such Senior Class Debt and the Senior Class Debt Parties in respect thereof are required to become subject to and bound by, the Pari Passu Intercreditor Agreement. Section 5.13 of the Pari Passu Intercreditor Agreement provides that such Senior Class Debt Representative may become an Authorized Representative under, and such Senior Class Debt and such Senior Class Debt Parties may become subject to and bound by, the Pari Passu Intercreditor Agreement, pursuant to the execution and delivery by the Senior Class Representative of an instrument in the form of this Supplement and the satisfaction of the other conditions set forth in Section 5.13 of the Pari Passu Intercreditor Agreement. The undersigned Senior Class Debt Representative (the " **New Representative** ") is executing this Representative Supplement in accordance with the requirements of the Pari Passu Intercreditor Agreement and the Second Lien Security Documents.

Accordingly, the Collateral Agent and the New Representative agree as follows:

SECTION 1. In accordance with Section 5.13 of the Pari Passu Intercreditor Agreement, the New Representative by its signature below becomes an Authorized Representative under, and the related Senior Class Debt and Senior Class Debt Parties become subject to and bound by, the Pari Passu Intercreditor Agreement with the same force and effect as if the New Representative had originally been named therein as an Authorized Representative, and the New Representative, on behalf of itself and such Senior Class Debt Parties, hereby agrees to all the terms and provisions of the Pari Passu Intercreditor Agreement applicable to it as an Authorized Representative and to the Senior Class Debt Parties that it represents as Additional Second Lien Secured

Parties. Each reference to an " **Authorized Representative** " in the Pari Passu Intercreditor Agreement shall be deemed to include the New Representative. The Pari Passu Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants to the Collateral Agent and the other Second Lien Secured Parties that (i) it has full power and authority to enter into this Representative Supplement, in its capacity as [agent] [trustee], (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Additional Second Lien Documents relating to such Senior Class Debt provide that, upon the New Representative's entry into this Agreement, the Senior Class Debt Parties in respect of such Senior Class Debt will be subject to and bound by the provisions of the Pari Passu Intercreditor Agreement as Additional Second Lien Secured Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Supplement shall become effective when the Collateral Agent shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile or other electronic transmission shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the Pari Passu Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS REPRESENTATIVE SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Pari Passu Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 5.01 of the Pari Passu Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

SECTION 8. The Borrower agrees to reimburse the Collateral Agent for its reasonable out-of-pocket expenses in connection with this Representative Supplement, including the reasonable fees, other charges and disbursements of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Representative and the Collateral Agent have duly executed this Representative Supplement to the Pari Passu Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW REPRESENTATIVE], as
[ ] for the holders of
[ ],

by _____
Name:
Title:

Address for notices:

_____

_____

attention of: _____

Telecopy: _____

Acknowledged by:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Agent,

by _____
Name:
Title:

TRINET HR CORPORATION,

by _____
Name:
Title:

TRINET GROUP, INC.,

by _____
Name:
Title:

THE GRANTORS
LISTED ON SCHEDULE I HERETO,

by _____
Name:
Title:

GRANTORS

[ ]

ANNEX III

[FORM OF] SUPPLEMENT NO. dated as of , to the PARI PASSU INTERCREDITOR AGREEMENT dated as of [ ], 20[ ] (the " **Pari Passu Intercreditor Agreement** "), among TRINET HR CORPORATION, a California corporation (the " **Borrower** "), TRINET GROUP, INC., a Delaware corporation, the other Grantors from time to time party thereto, WILMINGTON TRUST, NATIONAL ASSOCIATION, as Collateral Agent for the Second Lien Secured Parties under the Second Lien Security Documents (in such capacity, the " **Collateral Agent** ") and as Authorized Representative under the Credit Agreement, [ ], as Initial Additional Authorized Representative, and the additional Authorized Representatives from time to time a party thereto.

A. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Pari Passu Intercreditor Agreement.

B. The Grantors have entered into the Pari Passu Intercreditor Agreement. Pursuant to the Credit Agreement and certain Additional Second Lien Documents, any Person that shall become a Guarantor after the date of the Pari Passu Intercreditor Agreement is required to enter into the Pari Passu Intercreditor Agreement. Section 5.14 of the Pari Passu Intercreditor Agreement provides that such Guarantor may become party to the Pari Passu Intercreditor Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Guarantor (the " **New Grantor** ") is executing this Supplement in accordance with the requirements of the Credit Agreement and the Additional Second Lien Debt Documents.

Accordingly, the Collateral Agent and the New Grantor agree as follows:

SECTION 1. In accordance with Section 5.14 of the Pari Passu Intercreditor Agreement, the New Grantor by its signature below becomes a Grantor under the Pari Passu Intercreditor Agreement with the same force and effect as if originally named therein as a Grantor, and the New Grantor hereby agrees to all the terms and provisions of the Pari Passu Intercreditor Agreement applicable to it as a Grantor thereunder. Each reference to a "Grantor" in the Pari Passu Intercreditor Agreement shall be deemed to include the New Grantor. The Pari Passu Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Grantor represents and warrants to the Collateral Agent and the other Second Lien Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall

have received a counterpart of this Supplement that bears the signature of the New Grantor. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. Except as expressly supplemented hereby, the Pari Passu Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Pari Passu Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 5.01 of the Pari Passu Intercreditor Agreement. All communications and notices hereunder to the New Grantor shall be given to it in care of the Borrower as specified in the Pari Passu Intercreditor Agreement.

SECTION 8. The Borrower agrees to reimburse the Collateral Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Grantor and the Collateral Agent have duly executed this Supplement to the Pari Passu Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW GRANTOR],

By _____
Name:
Title:

Acknowledged by:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Agent,

By _____
Name:
Title:

[ ], as
Initial Additional Authorized Representative,

By _____
Name:
Title:

EXHIBIT H

[FORM OF] INTEREST ELECTION REQUEST

Wilmington Trust, National Association,
as Administrative Agent
520 Madison Avenue
New York, NY 10022-4213
Attention: Chris Monigle
Fax: 212.415.0513

[Date]

Ladies and Gentlemen:

Reference is made to the Second Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Second Lien Credit Agreement "), among TriNet HR Corporation, TriNet Group, Inc., the Lenders from time to time party thereto and Wilmington Trust, National Association, as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Second Lien Credit Agreement. This notice constitutes an Interest Election Request and the Borrower hereby gives you notice, pursuant to Section 2.07 of the Second Lien Credit Agreement, that it requests the conversion or continuation of a Borrowing under the Second Lien Credit Agreement, and in that connection the Borrower specifies the following information with respect to such Borrowing and each resulting Borrowing:

1. Borrowing to which this request applies:
   Class: [26]
   _____
   Principal Amount:
   _____
   Type: [27]
   _____
   Interest Period: [28]
   _____

2. Effective date of this election: [29]
   _____

[26] Specify Term Borrowing, Incremental Term Borrowing or Refinancing Term Loan Borrowing of a particular Series.
[27] Specify ABR Borrowing or Eurodollar Borrowing.
[28] In the case of a Eurodollar Borrowing, specify the last day of the current Interest Period therefor.
[29] Must be a Business Day.

3. Resulting Borrowing[s] [30]
Class: [31]

Principal Amount: [32]

Type: [33]

Interest Period: [34]

Very truly yours,

TRINET HR CORPORATION,

by_____
Name:
Title:

[30] If different options are being elected with respect to different portions of the Borrowing, provide the information required by this item 3 for each resulting Borrowing. Each resulting Borrowing shall be in an aggregate amount that is an integral multiple of, and not less than, the amount specified for a Borrowing of such Type in Section 2.02(c) of the Second Lien Credit Agreement.

[31] Specify whether the resulting Borrowing is to be a Term Borrowing, Incremental Term Borrowing or Refinancing Term Loan Borrowing of a particular Series.

[32] Indicate the principal amount of the resulting Borrowing and the percentage of the Borrowing in item 1 above.

[33] Specify whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing.

[34] Applicable only if the resulting Borrowing is to be a Eurodollar Borrowing, shall be subject to the definition of "Interest Period" and can be a period of one, two, three or six months (or, to the extent made available by all Lenders participating in the requested Borrowing, twelve months), and cannot extend beyond the Maturity Date. If an Interest Period is not specified, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

[FORM OF] PERFECTION CERTIFICATE

August 20, 2013

Reference is made to that certain Second Lien Credit Agreement, dated as of August 20, 2013 (the " ***Credit Agreement*** "), among TriNet HR Corporation, a California corporation (the " ***Borrower*** "), TriNet Group, Inc., a Delaware corporation (" ***Holdings*** "), the lenders party thereto and Wilmington Trust, National Association, as administrative agent for the Lenders (in such capacity, the " ***Administrative Agent*** ") (the following terms used herein shall have the meaning given to such terms in the Uniform Commercial Code as in effect in the jurisdiction applicable to such Collateral: Certificated Security, Commercial Tort Claims, Deposit Account, Documents, Electronic Chattel Paper, Equipment, Goods, Instruments, Inventory, Letter-of-Credit Right, Securities Account, Securities Intermediary and Tangible Chattel Paper; other capitalized terms not defined herein shall have the meaning given to such terms in the Credit Agreement). Each of Holdings and the Borrower hereby certifies, on behalf of itself and each other Loan Party, as follows:

1. Names/Identification .

(a) In accordance with the USA Patriot Act, for each Loan Party, the information contained on Schedule 1(a) is true and correct.

(b) Except as set forth on Schedule 1(b) hereto, no Loan Party has been party to a merger, consolidation or other change in corporate structure within the past five (5) years.

2. Locations .

(a) Set forth on Schedule 2(a) hereto a list of all locations (including street address) of fee interests in real property owned by any Loan Party with a fair market value equal to or greater than $5,000,000.

(b) Set forth on Schedule 2(b) hereto is a list of all locations (including street address) of real property leased by a Loan Party.

(c) Set forth on Schedule 2(c) hereto is a list of all leased locations (including street address) where a Loan Party maintains any Equipment, Inventory or other tangible personal property with a fair market value equal to or greater than $1,000,000.

(d) Set forth on Schedule 2(d) hereto are the names and addresses of all warehousemen, bailees or other Persons (other than a Loan Party or a Subsidiary) which have possession of any Equipment, Inventory or other tangible personal property owned by any Loan Party or in which any Loan Party has any interest with a fair market value equal to or greater than $1,000,000.

3. Subsidiaries . Set forth on Schedule 3 hereto is a complete and accurate list of all Subsidiaries of each Loan Party, together with (a) the jurisdiction of incorporation/formation, (b) the number of shares of each class of capital stock or other Equity Interests outstanding, (c) the number and percentage of outstanding shares of each class owned (directly or indirectly) by such Loan Party and (d) an indication as to whether the shares are certificated.

4. **Other Certificated Securities and Equity Interests .** A complete and accurate list of all Certificated Securities and Equity Interests in any other Person (other than those of a Subsidiary identified pursuant to Section 3 above) owned by each Loan Party.

5. **Instruments, Tangible Chattel Paper and Documents .** A complete and accurate list of all Instruments, Tangible Chattel Paper, Electronic Chattel Paper and Documents owned by each Loan Party is identified on Schedule 5 hereof to the extent any such items has a fair market value (or represents property having a fair market value or an amount payable) equal to or greater than $1,000,000.

6. **Patents, Trademarks, Copyrights .** All patents, trademarks and registered copyrights owned by each Loan Party as of the date hereof, all patent applications, trademark applications and copyright applications made by each Loan Party as of the date hereof and all patent licenses, trademark licenses and copyright licenses to which a third party is granting (or has granted) rights to any Loan Party as of the date hereof are listed on Schedule 6 hereof.

7. **Deposit Accounts .** A complete and accurate list of all Deposit Accounts maintained by each Loan Party with a depository bank is set forth on Schedule 7 hereof, including (a) the financial institution with which such account is maintained, (b) the name of such account, (c) the account number, (d) a recent value for such account (and the date of such value) and (e) whether such account is an Excluded Account, except to the extent that the average daily balance (during any thirty (30) calendar day period) of any single Deposit Account (other than Excluded Accounts) not identified on Schedule 7 exceeds $1,000,000 and, in the aggregate, of the funds held in all such Deposit Accounts and Securities Accounts (in each case, other than Excluded Accounts) not identified on Schedule 7 and Schedule 8 hereto does not exceed $3,000,000.

8. **Securities Accounts .** A complete and accurate list of all Securities Accounts maintained by such Loan Party is set forth on Schedule 8 hereof, including (a) the Securities Intermediary with which such account is maintained, (b) the name of such account, (c) the account number, (d) a recent value for such account (and the date of such value) and (e) whether such account is an Excluded Account, except to the extent that the average daily balance (during any thirty (30) calendar day period) of any single Securities Account (other than Excluded Accounts) not identified on Schedule 8 exceeds $1,000,000 and, in the aggregate, of the funds held in all such Deposit Accounts and Securities Accounts (in each case, other than Excluded Accounts) not identified on Schedule 7 and Schedule 8 hereto does not exceed $3,000,000.

9. **Commercial Tort Claims and Letter of Credit Rights .** A complete and accurate list of (i) all Commercial Tort Claims of any Loan Party with a value equal to or greater than $1,000,000 is set forth on Schedule 9 hereof and (ii) all and/or Letter of Credit Rights is set forth in Schedule 9 hereof.

10. **Insurance .** A complete and accurate list of all insurance polices currently maintained by the Loan Parties are identified on Schedule 10 hereof.

11. **Organization Chart** . A copy of the current organizational structure of the Loan Parties is attached as Exhibit A hereto.

12. **Lien Search Result** s . File search reports have been obtained from the applicable Uniform Commercial Code filing office, and such search reports reflect no Liens against any of the Collateral other than those permitted under the Credit Agreement.

[Signatures Follow]

IN WITNESS WHEREOF, I have hereunto set my hand the date first listed above.

TRINET GROUP, INC.

By:_____
Name:
Title:

TRINET HR CORPORATION

By:_____
Name:
Title:

Schedule 1(a)

PATRIOT ACT INFORMATION

Legal Name of Loan Party:

Previous Legal Names within the past 4 months:

All Other Names:

State of Organization:

Type of Organization:

Jurisdictions Qualified to do Business:

Address of Chief Executive Office:

Address of Principal Place of Business:

Business Phone Number:

Organizational Identification Number:

Federal Tax Identification Number:

Ownership Information (e.g. publicly held, if private or partnership—identity of owners/partners):

Schedule 1(b)

MERGERS/CONSOLIDATIONS/CHANGES IN CORPORATE STRUCTURE

NAME OF GRANTOR: _____ **MERGER OR OTHER CORPORATE REORGANIZATION:** _____

Schedule 2(a)

LOCATIONS OF OWNED REAL PROPERTY

Schedule 2(B)

LOCATIONS OF LEASED REAL PROPERTY

Office	Street Address 1	Address2	City	State	Zip	Landlord Entity	Landlord Address

Schedule 2(c)

LOCATIONS OF TANGIBLE PERSONAL PROPERTY/BOOKS/RECORDS/EQUIPMENT/INVENTORY/GOODS

Loan Party	Location of Real Property

Schedule 2(d)

OTHER PERSONS HAVING POSSESSION OF EQUIPMENT/INVENTORY/TANGIBLE PERSONAL PROPERTY

Loan Party	Location of Real Property

Schedule 3

SUBSIDIARIES

Subsidiary	Jurisdiction of Incorporation / Formation	Number of Shares of Capital Stock / Equity Interests	Outstanding Shares	% Owned	Shares Certificated

Schedule 4

OTHER CERTIFICATED SECURITIES

Schedule 5

INSTRUMENTS, TANGIBLE CHATTEL PAPER AND DOCUMENTS

Schedule 6

PATENTS, TRADEMARKS, REGISTERED COPYRIGHTS,
PATENT LICENSES, TRADEMARK LICENSES, COPYRIGHT LICENSES

COPYRIGHTS AND COPYRIGHT APPLICATIONS:

PATENTS AND PATENT APPLICATIONS:

TRADEMARKS AND TRADEMARK APPLICATIONS:

Mark	App. No.	Reg. No.	Filing Date	Reg. Date	Owner

Schedule 7

DEPOSIT ACCOUNTS

Bank	Address	Account Type	Account Number	Entity	Balance as of 6/30/13

Schedule 8

SECURITIES ACCOUNTS

Bank	Address	Account Type	Account Number	Entity	Balance as of 6/30/13

Schedule 9

COMMERCIAL TORT CLAIMS
AND
LETTER OF CREDIT RIGHTS

COMMERCIAL TORT CLAIMS

LETTER OF CREDIT RIGHTS

Schedule 10

INSURANCE

Use of Coverage	Carrier	Policy No.	Retention/Deductibles	Limits	Attach	Expire	Deposit Premium

[FORM OF] SUPPLEMENTAL PERFECTION CERTIFICATE

[●], 20[●]

Reference is made to that certain Second Lien Credit Agreement, dated as of August 20, 2013 (the " ***Credit Agreement*** "), among TriNet HR Corporation, a California corporation (the " ***Borrower*** "), TriNet Group, Inc., a Delaware corporation (" ***Holdings*** "), the lenders party thereto and Wilmington Trust, National Association, as Administrative Agent for the Lenders (in such capacity, the " ***Agent*** ") (the following terms used herein shall have the meaning given to such terms in the Uniform Commercial Code as in effect in the jurisdiction applicable to such Collateral: Certificated Security, Commercial Tort Claims, Deposit Account, Documents, Electronic Chattel Paper, Equipment, Goods, Instruments, Inventory, Letter-of-Credit Right, Securities Account, Securities Intermediary and Tangible Chattel Paper; other capitalized terms not defined herein shall have the meaning given to such terms in the Credit Agreement). This Certificate is delivered pursuant to Section 5.03(b) of the Credit Agreement. Each of Holdings and the Borrower hereby certifies, on behalf of itself and each other Loan Party, as follows:

1. Names/Identification .

(a) In accordance with the USA Patriot Act, for each Loan Party, the information contained on Schedule 1(a) is true and correct.

(b) Except as set forth on Schedule 1(b) hereto, no Loan Party has been party to a merger, consolidation or other change in corporate structure within the past five (5) years.

2. Locations .

(a) Set forth on Schedule 2(a) hereto a list of all locations (including street address) of fee interests in real property owned by any Loan Party with a fair market value equal to or greater than $5,000,000.

(b) Set forth on Schedule 2(b) hereto is a list of all locations (including street address) of real property leased by a Loan Party.

(c) Set forth on Schedule 2(c) hereto is a list of all leased locations (including street address) where a Loan Party maintains any Equipment, Inventory or other tangible personal property with a fair market value equal to or greater than $1,000,000.

(d) Set forth on Schedule 2(d) hereto are the names and addresses of all warehousemen, bailees or other Persons (other than a Loan Party or a Subsidiary) which have possession of any Equipment, Inventory or other tangible personal property owned by any Loan Party or in which any Loan Party has any interest with a fair market value equal to or greater than $1,000,000.

3. Subsidiaries . Set forth on Schedule 3 hereto is a complete and accurate list of all Subsidiaries of each Loan Party, together with (a) the jurisdiction of incorporation/formation, (b) the number of shares of each class of capital stock or other Equity Interests outstanding, (c) the number and percentage of outstanding shares of each class owned (directly or indirectly) by such Loan Party and (d) an indication as to whether the shares are certificated.

4. **Other Certificated Securities and Equity Interests .** A complete and accurate list of all Certificated Securities and Equity Interests in any other Person (other than those of a Subsidiary identified pursuant to Section 3 above) owned by each Loan Party.

5. **Instruments, Tangible Chattel Paper and Documents .** A complete and accurate list of all Instruments, Tangible Chattel Paper, Electronic Chattel Paper and Documents owned by each Loan Party is identified on Schedule 5 hereof to the extent any such items has a fair market value (or represents property having a fair market value or an amount payable) equal to or greater than $1,000,000.

6. **Patents, Trademarks, Copyrights .** All patents, trademarks and registered copyrights owned by each Loan Party as of the date hereof, all patent applications, trademark applications and copyright applications made by each Loan Party as of the date hereof and all patent licenses, trademark licenses and copyright licenses to which a third party is granting (or has granted) rights to any Loan Party as of the date hereof are listed on Schedule 6 hereof.

7. **Deposit Accounts .** A complete and accurate list of all Deposit Accounts maintained by each Loan Party with a depository bank is set forth on Schedule 7 hereof, including (a) the financial institution with which such account is maintained, (b) the name of such account, (c) the account number, (d) a recent value for such account (and the date of such value) and (e) whether such account is an Excluded Account, except to the extent that the average daily balance (during any thirty (30) calendar day period) of any single Deposit Account (other than Excluded Accounts) not identified on Schedule 7 exceeds $1,000,000 and, in the aggregate, of the funds held in all such Deposit Accounts and Securities Accounts (in each case, other than Excluded Accounts) not identified on Schedule 7 and Schedule 8 hereto does not exceed $3,000,000.

8. **Securities Accounts .** A complete and accurate list of all Securities Accounts maintained by such Loan Party is set forth on Schedule 8 hereof, including (a) the Securities Intermediary with which such account is maintained, (b) the name of such account, (c) the account number, (d) a recent value for such account (and the date of such value) and (e) whether such account is an Excluded Account, except to the extent that the average daily balance (during any thirty (30) calendar day period) of any single Securities Account (other than Excluded Accounts) not identified on Schedule 8 exceeds $1,000,000 and, in the aggregate, of the funds held in all such Deposit Accounts and Securities Accounts (in each case, other than Excluded Accounts) not identified on Schedule 7 and Schedule 8 hereto does not exceed $3,000,000.

9. **Commercial Tort Claims and Letter of Credit Rights .** A complete and accurate list of (i) all Commercial Tort Claims of any Loan Party with a value equal to or greater than $1,000,000 is set forth on Schedule 9 hereof and (ii) all and/or Letter of Credit Rights is set forth in Schedule 9 hereof.

10. **Insurance .** A complete and accurate list of all insurance polices currently maintained by the Loan Parties are identified on Schedule 10 hereof.

11. **Organization Chart** . A copy of the current organizational structure of the Loan Parties is attached as Exhibit A hereto.

12. **Lien Search Results** . File search reports have been obtained from the applicable Uniform Commercial Code filing office, and such search reports reflect no Liens against any of the Collateral other than those permitted under the Credit Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, I have hereunto set my hand the date first listed above.

TRINET GROUP, INC.

By:_____
Name:
Title:

TRINET HR CORPORATION

By:_____
Name:
Title:

[Signature Page to Supplemental Perfection Certificate]

Schedule 1(a)

PATRIOT ACT INFORMATION

Legal Name of Loan Party:

Previous Legal Names within the past 4 months:

All Other Names:

State of Organization:

Type of Organization:

Jurisdictions Qualified to do Business:

Address of Chief Executive Office:

Address of Principal Place of Business:

Business Phone Number:

Organizational Identification Number:

Federal Tax Identification Number:

Ownership Information (e.g. publicly held, if private or partnership—identity of owners/partners):

Schedule 1(b)

MERGERS/CONSOLIDATIONS/CHANGES IN CORPORATE STRUCTURE

N AME OF G RANTOR : **M ERGER OR OTHER CORPORATE REORGANIZATION :**

Schedule 2(a)

LOCATIONS OF OWNED REAL PROPERTY

Schedule 2(B)

LOCATIONS OF LEASED REAL PROPERTY

Office	Street Address 1	Address2	City	State	Zip	Landlord Entity	Landlord Address

Schedule 2(c)

LOCATIONS OF TANGIBLE PERSONAL PROPERTY/BOOKS/RECORDS/EQUIPMENT/INVENTORY/GOODS

Loan Party	Location of Real Property

Schedule 2(d)

OTHER PERSONS HAVING POSSESSION OF EQUIPMENT/INVENTORY/TANGIBLE PERSONAL PROPERTY

Loan Party	Location of Real Property

Schedule 3

SUBSIDIARIES

Subsidiary	Jurisdiction of Incorporation / Formation	Number of Shares of Capital Stock / Equity Interests	Outstanding Shares	% Owned	Shares Certificated

Schedule 4

OTHER CERTIFICATED SECURITIES

Schedule 5

INSTRUMENTS, TANGIBLE CHATTEL PAPER AND DOCUMENTS

Schedule 6

**PATENTS, TRADEMARKS, REGISTERED COPYRIGHTS,
PATENT LICENSES, TRADEMARK LICENSES, COPYRIGHT LICENSES**

COPYRIGHTS AND COPYRIGHT APPLICATIONS:

PATENTS AND PATENT APPLICATIONS:

TRADEMARKS AND TRADEMARK APPLICATIONS:

Mark	App. No.	Reg. No.	Filing Date	Reg. Date	Owner

Schedule 7

DEPOSIT ACCOUNTS

Bank	Address	Account Type	Account Number	Entity	Balance as of 6/30/13

Schedule 8

SECURITIES ACCOUNTS

Bank	Address	Account Type	Account Number	Entity	Balance as of 6/30/13

Schedule 9

COMMERCIAL TORT CLAIMS
AND
LETTER OF CREDIT RIGHTS

COMMERCIAL TORT CLAIMS

LETTER OF CREDIT RIGHTS

Schedule 10

INSURANCE

Use of Coverage	Carrier	Policy No.	Retention/Deductibles	Limits	Attach	Expire	Deposit Premium

[FORM OF] SOLVENCY CERTIFICATE
OF
TRINET GROUP, INC.
AND ITS SUBSIDIARIES

This Certificate is being delivered pursuant to Section 4.01(l) of the Second Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Second Lien Credit Agreement "), among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc. (" Holdings "), the lenders from time to time party thereto and Wilmington Trust, National Association, as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Second Lien Credit Agreement.

The undersigned hereby certifies that he or she is the Chief Financial Officer of Holdings and that he or she is knowledgeable of the financial and accounting matters of Holdings and the other Loan Parties, the Second Lien Credit Agreement and the covenants and representations (financial and other) contained therein and that, as such, he or she is authorized to execute and deliver this Certificate on behalf of Holdings.

The undersigned, solely in his or her capacity as Chief Financial Officer of Holdings, and not in his or her individual capacity, believes, based upon current assumptions, which will by necessity involve uncertainties and approximations, but which he or she does not believe to be unreasonable in light of the circumstances applicable thereto, and upon the best of his or her knowledge, that on the date hereof, immediately after giving effect to the Transactions to occur on the date hereof, including the making of each Loan to be made on the date hereof and the application of the proceeds of such Loans:

(a) the fair value of the assets of Holdings and the Subsidiaries, taken as a whole, will exceed their debts and liabilities, subordinated, contingent or otherwise (taken as a whole) (it being understood that the amount of contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability);

(b) the present fair saleable value of the assets of Holdings and the Subsidiaries, taken as a whole, will be greater than the amount that will be required to pay the probable liability on their debts and other liabilities, subordinated, contingent or otherwise (taken as a whole), as such debts and other liabilities become absolute and matured;

(c) Holdings and the Subsidiaries, taken as a whole, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and

(d) Holdings and the Subsidiaries, taken as a whole, will not have unreasonably small capital with which to conduct the business in which they are engaged, as such business is conducted at the time of and is proposed to be conducted following the Effective Date.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has executed this Certificate on the date first written above.

TRINET GROUP, INC.,

By: _____
Name:
Title: Chief Financial Officer

[FORM OF] U.S. TAX CERTIFICATE FOR FOREIGN LENDERS THAT ARE NOT PARTNERSHIPS FOR U.S. FEDERAL INCOME TAX PURPOSES

Reference is made to the Second Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Credit Agreement "), among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc. (" Holdings "), the lenders from time to time party thereto and Wilimington Trust, National Association, as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Credit Agreement.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record and beneficial owner of the Loan(s) (as well as any promissory note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (b) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (c) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (d) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (a) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (b) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which any payment is to be made to the undersigned, or in either of the two calendar years preceding any such payment.

[NAME OF LENDER],

By: _____
Name:
Title:
Date:

[FORM OF] U.S. TAX CERTIFICATE FOR FOREIGN LENDERS THAT ARE PARTNERSHIPS FOR U.S. FEDERAL INCOME TAX PURPOSES

Reference is made to the Second Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Credit Agreement "), among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc. (" Holdings "), the lenders from time to time party thereto and Wilimington Trust, National Association, as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Credit Agreement.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record owner of the Loan(s) (as well as any promissory note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (b) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any promissory note(s) evidencing such Loan(s)), (c) with respect to the extension of credit pursuant to the Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (d) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (e) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio exemption: (a) an IRS Form W-8BEN or (b) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (a) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (b) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which any payment is to be made to the undersigned, or in either of the two calendar years preceding any such payment.

[NAME OF LENDER],

By: _____
Name:
Title:
Date:

[FORM OF] U.S. TAX CERTIFICATE FOR FOREIGN PARTICIPANTS THAT ARE NOT PARTNERSHIPS FOR U.S. FEDERAL INCOME TAX PURPOSES

Reference is made to the Second Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Credit Agreement "), among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc. (" Holdings "), the lenders from time to time party thereto and Wilimington Trust, National Association, as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Credit Agreement.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (b) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (c) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (d) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (a) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing and (b) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which any payment is to be made to the undersigned, or in either of the two calendar years preceding any such payment.

[NAME OF LENDER],

By: _____
Name:
Title:
Date:

[FORM OF] U.S. TAX CERTIFICATE FOR FOREIGN PARTICIPANTS THAT ARE PARTNERSHIPS FOR U.S. FEDERAL INCOME TAX PURPOSES

Reference is made to the Second Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Credit Agreement "), among TriNet HR Corporation (the " Borrower "), TriNet Group, Inc. (" Holdings "), the lenders from time to time party thereto and Wilimington Trust, National Association, as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Credit Agreement.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record owner of the participation in respect of which it is providing this certificate, (b) its direct or indirect partners/members are the sole beneficial owners of such participation, (c) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881 (c)(3)(A) of the Code, (d) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (e) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (a) an IRS Form W-8BEN or (b) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (a) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (b) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which any payment is to be made to the undersigned, or in either of the two calendar years preceding any such payment.

[NAME OF LENDER],

By: _____
Name:
Title:
Date:

EXHIBIT L

[FORM OF] PROMISSORY NOTE

$[ ] [,]

For value received, the undersigned TriNet HR Corporation (the " Borrower "), hereby promises to pay to [ ] (" Payee ") the principal amount of [ ] Dollars ($[ ]) or, if less, the aggregate outstanding principal amount of the Loans (as defined in the Credit Agreement referred to below) made by the Payee to the Borrower, together with interest on the unpaid principal amount of such Loans on such date, until such principal amount is paid in full, at such interest rates, and at such times, as are specified in the Credit Agreement (as defined below). The Borrower may make prepayments on this Note in accordance with the terms of the Credit Agreement.

This Note is one of the notes referred to in, and is entitled to the benefits of, and is subject to the terms of, the Second Lien Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified as of the date hereof, the " Credit Agreement ") among TriNet HR Corporation, TriNet Group, Inc., the Lenders from time to time party thereto and Wilmington Trust, National Association, as Administrative Agent (the " Administrative Agent "). Capitalized terms used in this Note that are defined in the Credit Agreement and not otherwise defined in this Note have the meanings assigned to such terms in the Credit Agreement. The Credit Agreement, among other things, (a) provides for the making of the Loans by the Payee to the Borrower in an aggregate amount not to exceed at any time outstanding the Dollar amount first above mentioned and (b) contains provisions for acceleration of the maturity of this Note upon the happening of certain events stated in the Credit Agreement and for prepayments of principal prior to the maturity of this Note upon the terms and conditions specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to the Administrative Agent at the location or address specified by the Administrative Agent to the Borrower in same day funds. The Payee shall record payments of principal made under this Note, but no failure of the Payee to make such recordings shall affect the Borrower's repayment obligations under this Note. Except as specifically provided in the Credit Agreement, the Borrower hereby waives presentment, demand, protest, notice of intent to accelerate, notice of acceleration, and any other notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder of this Note shall operate as a waiver of such rights.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

TRINET HR CORPORATION

By:_____
Name:
Title:

Exhibit 10.15

CREEKSIDE PLAZA
OFFICE LEASE

Creekside Associates, LLC,

A California Limited Liability Company

As Landlord,

And

TriNet Group, Inc.

a Delaware Corporation,

as Tenant.

Summary of Basic Lease Information

This Summary of Basic Lease Information (the "Summary") is hereby incorporated into and made a part of the attached Office Lease (this Summary and the Office Lease to be known collectively as the "Lease") which pertains to the multi-office project described in Section 6.1 below (the "Project"). Each reference in the Office Lease to any term of this Summary shall have the meaning as set forth in this Summary for such term. In the event of a conflict between the terms of this Summary and the Office Lease, the terms of the Office Lease shall prevail. Any initially capitalized terms used herein and not otherwise defined herein shall have the meaning as set forth in the Office Lease.

	TERMS OF LEASE (References are to the Office Lease	DESCRIPTION
1.	Dates as of:	April 24, 2001
2.	Landlord:	CREEKSIDE ASSOCIATES LLC, a California limited liability company
3.	Address of Landlord (Section 28.14) :	2656 Bridgeway, Suite 200 Sausalito, CA 94965 Attention: David Irmer With a copy to: T. Lawrence Jett 1815 Aston Avenue, Suite 106 Carlsbad, CA 92008 And to: Richard W. Sweat, Esq. Post Kirby Noonan & Sweat LLP 600 West Broadway, Suite 1100 San Diego, CA 92101
4.	Tenant:	TriNet Group, Inc., a Delaware corporation
5.	Address of Tenant (Section 28.14) :	TriNet Group, Inc. 101 Callan, San Leandro, CA 94577 Attention: Douglas P. Devlin (Prior to Lease Commencement Date) And Suite San Leandro, California Attention: (After Lease Commencement Date)

6. Premises (Article 1) .

6.1	Project:	As defined in Section 1.1 of the Lease
6.2	Building:	Building A is a four story building having approximately 100,350 square feet of gross building area and 97,914 square feet of rentable space, all as shown in the exterior elevations and summary plans attached hereto as Exhibit A . Notwithstanding anything to the contrary Landlord shall not lease or permit the Building to be used for any purpose other than general office use consistent with first-class office building projects.
6.3	Premises:	A portion of Building A containing approximately 48,693 rentable square feet (this includes a pro rata share of the main lobby) of Creekside Plaza, San Leandro, California
6.4	Tenant Improvements	Landlord will construct all Tenant Improvements agreed upon by Landlord and Tenant for Tenant's initial occupancy as described in Section 1.1.3 . Landlord shall bear the cost of such Tenant Improvements up to $25.00 per rentable square foot of space, which is $1,217,325.00 based upon the area of the Premises set forth in Section 6.3 above. Tenant shall bear the cost of the Tenant Improvements in excess of that amount.

7. Term (Article 2) .

7.1	Lease Term:	15 years and a partial month so the term ends on the last day of a calendar month.
7.2	Lease Commencement Date:	The earlier of (i) the date Tenant occupies all or a portion of the Premises (other than in connection with the construction of the same), and (ii) the date that the Landlord's

work as described in Exhibit A is substantially completed (subject to only minor punch-list items) and the Premises is deliver to Tenant via a joint walk-through within two business days after Landlord's receipt of the certificate of occupancy; the common areas are substantially completed, including all paving, striping and landscaping; and the parking structure is substantially complete to the extent that vehicles can use same. Landlord shall work with Contractor to ensure that all punch-list items are corrected within sixty (60) days of the Lease Commencement Date, unless otherwise mutually agreed upon by the parties hereto.

7.3 Lease Expiration Date: The last day of the month in which the 15th anniversary of the Lease Commencement Date occurs.

7.4 Option Two (2) Five (5) year options at same terms and conditions as the Lease. Tenant to have first right of refusal to any Tenant vacating space on Floor 1 and/or 2 in Building A.

8. Base Rent (Article 3): $2.10 per Sq. Ft. net net net. Which means that the tenant pays as rent it's pro rata share (based upon tenant's share of rentable square footage of the Building) of landlord's insurance, real estate taxes, utilities and maintenance cost. Expenses are allocable to the building for common area maintenance based on the rentable square footage of the building compared to other Buildings in the Project.

Lease Year	Annual Base Rent	Monthly Installment of Base Rent
Year 1 Building A	$1,227,064 net net net	$102,255 net net net

Assumes gross building area and rentable square footage set forth in Section 6.2 and 6.3 above.

9. Base Rent Adjustments (Article 4). Annual increase in rent based on C.P.I. Increase not to exceed 5% in any given year.

10.	Security Deposit (Article 21):	Irrevocable Letter of Credit in the amount of $700,000 upon execution of the Lease.
11.	Number of Parking Space (Article 27):	160 parking spaces.
12.	Brokers Commission Section 28.20)	Kerry & Assoc. 151 Callan Avenue, Suite 202 San Leandro, CA 94577 $5.00 per sq. ft. payable upon execution of lease
13.	Permitted Use (Section 5):	General office use consistent with a first class office building project.
14.	Rules and Regulations	Subject to Tenant's rights hereunder, Landlord may impose reasonable and nondiscriminatory rules and regulations for the use of the Common Areas by Landlord, Tenant and other tenants of the Project ("Rules and Regulations"). Landlord agrees to enforce such rules and regulations equally against all tenants, including Tenant. The Rules and Regulations in effect at the Lease Commencement Date are those attached hereto as Exhibit B .

EXHIBITS

A SITE PLAN, EXTERIOR ELEVATIONS AND SCHEMATIC PLANS

B RULES AND REGULATIONS

C NOTICE OF LEASE TERM DATES

D GENERAL MAINTENANCE PLAN

E ATTORNMENT AND NONDISTURBANCE AGREEMENT

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OFFICE LEASE

This Office Lease, which includes the preceding Summary of Basic Lease Information (the "Summary") attached hereto as pages (i) through (iv) and incorporated herein by this reference (the Office Lease and Summary to be known sometimes collectively hereafter as the "Lease"). Dated as of the date set forth in Section 1 of the Summary, is made by and between "Landlord" and "Tenant" as those terms are defined in Sections 2 and 4 of the Summary, respectively.

1. Article 1 Premises, Building, Project, Tenant Improvements and Common Areas, and the Adjacent Project

1.1 Premises, Building, Tenant Improvements, Project and Common Areas .

1.1.1 The Premise . Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 6.3 of the Summary (the "Premises"). The Site Plan, Exterior Elevations and Schematic Plans for the Premises are attached as Exhibit A hereto. The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of such terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance. The Plans attached, as Exhibit A shall not be changed in any material way without Tenant's consent, which Tenant shall not unreasonably withhold. Exhibit A also shows the approximate location of Building and the location of the "Common Areas," as that term is defined in Section 1.1.3 below. Except as specifically set forth in this Lease, Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant's business, except as specifically set forth in this Lease. Upon taking of possession of the Premises, Tenant shall determine whether the Premises at such time are in good and sanitary order, condition and repair. Tenant shall inform Landlord within forty-five (45) days of taking occupancy of its initial "punch list" of items needing repair. Failure to place a defect on the initial punch list shall not affect Landlord's obligations under Section 1.4 of this Lease.

1.1.2 The Building and The Project . The Premise is described in Section 6.3 of the Summary ("Premises"). Whenever the term "Building" is used, it refers to Building A. The Building is part of an office project known as "Creekside." The term "Project," as used in this Lease, shall mean (i) the Buildings and the Common Areas relating to it, (ii) the land (which is improved with landscaping, Surface parking and or parking structure facilities and other improvements) upon which the Buildings and the Common Areas are located, (iii) the other office building located adjacent to the Building and the land upon which such adjacent office buildings are located, and (iv) at Landlord's discretion, any additional real property areas, land, buildings or other improvements added thereto outside of the Project.

1.1.3 Tenant Improvements . Landlord will construct all Tenant Improvements agreed upon by Landlord and Tenant for Tenant's initial occupancy, and Landlord will not unreasonably withhold its consent to Tenant-requested Tenant Improvements suitable for Tenant's use of the Building for its corporate headquarters. Landlord shall bear up to Twenty-Five Dollars ($25.00) per rentable square foot of the cost of Tenant Improvements, which totals One Million Two Hundred Seventeen Thousand Three Hundred Twenty-five Dollars ($1,217,325.00) based upon the area of the Premises set forth in Section 6.3 of the Summary. Tenant shall bear all costs of Tenant Improvements in excess of that amount. Landlord is obligated to construct the shell of the Building, which includes the following which are not considered Tenant Improvements:

a. The Structure of the Building shall be complete and water tight, including roofing, architectural sheet metal and complete finished exterior walls.

b. Exterior walls shall have R-19 insulation in the wall.

c. All site work for the Building shall be complete, including hardscape, landscape, paving, utilities and site lighting.

d. Each floor of the Building shall have two (2) core restrooms, one men's and one women's, complete and finished, including all plumbing fixtures, toilet partitions, toilet accessories, ceramic tile floors, ceramic tile wainscot on wet walls to a height of four (4) feet, toilet exhaust system, sprinkler drops at the drywall ceiling and associated lighting and power receptacles.

e. Two (2) hydraulic elevators serving all floors, complete with rated shafts, separate equipment room, sumps, ladders, grates and elevators with factory standard finishes. The elevator access to the Premises shall be restricted and only available via keycard or other locking device. The cost to restrict elevator access shall be at the Tenant's sole cost and expense.

f. Two (2) exiting stairwells serving all floors in the building, complete with all rated partitions and doors, with the stairs to be of steel construction with concrete filled pans for treads.

g. The building shall have heating, ventilation and air conditioning units mounted on the roof with equipment appropriate to accommodate normal office use, with the shell to include vertical distribution of the supply and return ducting and all associated fire rated shafts. The shell does not include any portion of the distribution system on each floor, such as the individual floor loop piping systems. The shell does not include equipment for special cooling requirements for computer rooms or data centers.

h. Electrical system bringing power to each floor but not any portion of the distribution system on each floor. The shell will include the main switch gear, installed with a house panel provided to accommodate site lighting, life-safety monitoring and landscape irrigation circuits. Power will be provided to all elevators, all heating, ventilation and air conditioning equipment. The shell includes a floor sub panel for each floor.

i. A fire sprinkler system for the entire shell with ceiling drops as required for other shell components such as restrooms, mechanical rooms, stairwells and shafts. All other drops and sprinkler system equipment are not included in the shell.

j. Plumbing system to include roof drains and overflows, gas to rooftop, HVAC units, condensation piping for rooftop mechanical units, trunk sewer line under the slab on grade, all core restroom fixtures and related waste, vent and water piping, hot water heaters to provide warm water for restrooms, and drinking fountain and janitor sinks on each floor.

The following are considered part of the Tenant Improvements:

(i) Lobby construction on Floors 3 and 4 of Building A.

(ii) Distribution systems for HVAC and electrical power on each floor.

(iii) A generator adjacent to Building A and the systems to distribute the generated power shall be considered Tenant Improvements if Tenant elects to include such equipment as Tenant Improvements.

(iv) A service elevator and all related costs to install if Tenant elects to include such elevator as a Tenant Improvements.

Tenant Improvement plans shall be prepared by the Tenant by August 1, 2001, and approved by the Landlord on or before September 1, 2001. Tenant's share of Tenant Improvement costs shall be deposited with the construction lender at the lender's discretion but in no event later than August 1, 2001. A commitment for funding the Tenant's share of Tenant Improvement costs must be available at lease signing. A copy of the as-built Tenant Improvement plan shall be attached to this Lease upon completion of the Tenant Improvement work.

1.1.4 Common Areas . Tenant shall have the nonexclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 5 of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, including certain areas designated for the exclusive use of certain tenants, or to be shared by Landlord and certain tenants, are collectively referred to herein as the "Common Areas"). Subject to the terms of this Lease, the Landlord shall maintain the Common Areas in a first-class manner and in accordance with the General Maintenance Plan attached hereto as Exhibit D , but the exact manner in which the tenants Common Areas are maintained and operated shall be determined by the Landlord, and the use thereof shall be subject to such reasonable rules, regulations and restrictions as Landlord may make from time to time pursuant to Article 5 below. Tenant shall pay its pro rata share of cost of maintaining the common areas and of maintaining the Creekwalk area as required by the City of San Leandro. Such maintenance costs shall be allocated among Buildings based upon the relative rentable square footage of the buildings. If Tenant believes that Landlord is not maintaining the Common Areas in a first-class manner, Tenant shall notify Landlord in writing if oral requests are not responded to in a timely manner. If Landlord fails, on three (3) occasions within any two (2) year period in its maintenance obligations, Tenant may require Landlord to employ a third party property manager to supervise maintenance of the Common Areas. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas provided that

changes to the Common Areas do not interfere in any material way with Tenant's access to and use of the Premises. Landlord specifically agrees that access to the parking portions of the Common Areas shall be controlled by gates activated by a card system or other system appropriate to ensure that, as much as possible, use of the parking area is restricted to persons employed by or having business with tenants in the Project.

1.2 The Adjacent Project . The Project is located in the same city block with, and is adjacent to, another office project known as the "Creekside Plaza." All reference in this Lease to the "Adjacent Project" shall be deemed to refer to the neighboring Creekside Plaza project.

1.3 Verification of Rentable Square Feet of Premises and Building . For purposes of this Lease, "rentable square feet" shall be calculated according to the Standard Method for Measuring Floor Area in Office Building, ANSI Z65.1 – 1996 ("BOMA"), provided that the rentable square footage of the Premises shall include all of the gross building area of the third and forth floor and a pro rata share of the first floor main lobby, less the mechanical shaft on the third and forth floor and the two (2) stairwells on the third and fourth floors. The rentable square feet of the Premises and the Building is subject to verification from time to time by Landlord's planner/designer and Tenant's planner/designer, and such verification shall be made in accordance with the provisions of this Article 1 . All amounts, percentages and figures appearing or referred to in this Lease based upon any incorrect rentable square footage (including, without limitation, the amount of the "Rent," as that term is defined in Section 4.1 of this Lease) shall be modified in accordance with such determination. If such determination is made, it will be confirmed in writing by Landlord to Tenant.

1.4 Landlord's Guarantee of Construction . Landlord guarantees all work performed in its construction of the Premises against defective workmanship and materials for a period of one (1) year from the date of substantial completion thereof and shall, at Landlord's sole cost and expense, repair and replace any such defective workmanship or material upon Tenant's written request. If any latent defects are found-to exist at any time during the term hereof, Landlord shall correct the same at Landlord's cost.

1.5 Completion of Premises . Landlord agrees to commence grading on the Project on or before May 1, 2001, and agrees that the Premises will be ready for occupancy, including Tenant Improvements, by September 1, 2002. If the Premises is not ready for occupancy by December 31; 2002, Tenant shall-have the right to terminate this Lease. By taking occupancy, Tenant waives that right.

2. Article 2 Lease Term

2.1 Lease Term . The terms and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the "Lease Term") shall be as set forth in Section 7.1 of the of the Summary and shall commence on the date (the "Lease Commencement Date") set forth in Section 7.2 of the Summary, and shall terminate on the date (the "Lease Expiration Date") set forth in Section 7.3 of the Summary, unless this Lease is sooner terminated as hereinafter provided. As described in Section 7.4 of the Summary and in Section 2.2 below, the Tenant shall have the option to extend the Lease Term. For purposes of this Lease, the term "Lease Year" shall mean each consecutive twelve (12) month period during the Lease Term; provided,

however, that the first Lease Year shall commence on the Lease Commencement Date and end on the last day of the twelfth month thereafter and the second and each succeeding Lease Year shall commence on the first day of the next calendar month; and further provided that the last Lease Year shall end on the Lease Expiration Date. At any time during the Lease Term, Landlord may deliver to Tenant a notice in the form as set forth in Exhibit C , attached hereto, which Tenant shall execute and return to Landlord within ten (10) days of receipt thereof.

2.2 Options to Extend Lease Term . Provided Tenant is not in default at the time of each exercise, Tenant shall have two (2) options to extend the term of the Lease, each for a period of five (5) years, upon all of the terms and conditions herein stated. Landlord shall give written notice to Tenant no later than two hundred seventy (270) days prior to the end of the initial term and the then current term of the Lease that Tenant's option to extend will expire if not exercised and the date of expiration. Tenant shall provide written notice to Landlord no later than one hundred eighty (180) days prior to the expiration of the initial term or the then current term of the Lease of Tenant's option to extend the initial term or the then current term.

2.3 Option Term Rent . Minimum rent for the option periods (if such option is exercised) shall be Fair Market Rent, determined in accordance with the following, except that in no event shall the Base Rent for the option term be less than the Base Rent in effect at the end of the immediately preceding portion of the Lease Term. At least ninety (90) days prior to the commencement date of the time period for which a determination of Fair Market Rent is required under the Lease, the parties shall meet and endeavor to agree upon the Fair Market Rent of the Premises as of the first day of the applicable period. In determining the Fair Market Rent for the Premises, the Premises shall be compared only to Class A office buildings of a similar quality and size in the same County. If, within forty-five (45) days, the parties cannot agree upon the Fair Market Rent for the Premises as of the first day of the applicable time period, the parties shall submit the matter to binding appraisal in accordance with the following procedure: Within sixty (60) days from the date of the first meeting between Landlord and Tenant, the parties shall either (1) jointly appoint an appraiser for this purpose, or (2) failing this joint action, separately designate a disinterested appraiser. The parties shall each pay one-half (1/2) of the fees and expenses of the jointly appointed appraiser; or, if the parties separately designate disinterested appraisers, the parties shall pay the fees and expenses of the appraiser appointed or designated by such party, and no person may be appointed as an appraiser unless he or she has at least five (5) years' experience in appraising Class A office buildings in the same County and is a member of a recognized society of real estate appraisers. If the two (2) appraisers thus appointed cannot reach an agreement on the Fair Market Rent within thirty (30) days after their appointment, the appraisers thus appointed shall appoint a third disinterested appraiser having like qualifications. If, within twenty (20) days after the third appraiser has been chosen, a majority of the appraisers cannot reach an agreement on the Fair Market Rent, then the average of the two (2) closest appraisals shall determine the Fair Market Rent. Each party shall pay one-half (1/2) of the fees and expenses of the third appraiser. In the event the parties have not agreed upon the Fair Market Rent of the Premises upon the commencement date of the applicable option period, then Tenant shall make a payment of Base Rent equal to the monthly installment required to be paid for the last month of the expired term each and every month until the Fair Market Rent has been determined. Upon such determination, the agreed upon Fair Market Rent shall be retroactive to the commencement date of the applicable Period. Tenant shall, within ten (10) days thereafter, make up any accumulated deficiency for all months of the applicable option period. From and after Fair Market Rent has been determined, Base Rent shall increase and be adjusted at the same rate as such adjustments were made during the initial term (i.e., annual CPI increases not to exceed five percent (5%)).

3. Article 3 Base Rent

Tenant shall pay, without notice or demand, to Landlord by electronic funds transfer to the bank account identified by Landlord, or in such other commercially reasonable manner as the parties may agree, base rent ("Base Rent") as set forth in Section 8 of the Summary, payable in equal monthly installments as set forth in Section 8 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever. The Base Rent is net net net (triple net), with Tenant paying pro rata share of all real estate taxes, insurance, utilities and maintenance as set forth in this lease. Landlord will provide management services, reimbursed by Tenant on a pro rata basis. The Base Rent for the first full calendar month of the Lease Term, shall be paid at the Lease Commencement Date. If any Rent, payment date (including the Lease Commencement Date) falls on a day of a calendar month other than the first day of such calendar month or if any Rent payment is for a period which is shorter than one calendar month such as during the last month of the Lease Term, the Rent for any fractional calendar month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of the Lease Term at a rate per day which is equal to 1/365 of the Rent. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

4. Article 4 Base Rent Adjustments

4.1 The monthly rent, as specified in Article 3 above, shall be subject to increases per, Section 9 . of the summary and further described in the following manner:

4.1.1 Consumer Price Index . Consumer price index adjustments ("the adjustment") shall be made at the commencement of the second year of lease term and every successive year thereafter ("the adjustment date") as follows:

4.1.2 The basis for computing the adjustment shall be the U.S. Department of Labor, Bureau of Labor Statistic's Consumer Price Index for All Urban Consumers, all Items, 1982-84=100, for the San Francisco-Oakland area, ("Index"). The Index for the month immediately preceding the lease term commencement date shall be considered the "Beginning Index." If the Index for the month immediately preceding the adjustment date ("Comparison Index") is the greater than the Beginning Index, the Base Rent shall be increased by multiplying the Base Rent set forth in Article 3 by a fraction, the numerator of which is the Comparison Index and the denominator of which is the Beginning Index. Notwithstanding any subsequent decrease in the Index, the new Base Rent shall never be less than the rent for the month immediately preceding the adjustment date. On adjustment of the Base Rent Lessor shall notify Lessee by letter stating the new Base Rent.

4.1.3 If the Index base year is changed so that it differs from 1982-84=100, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the index had not been discontinued or revised.

4.1.4 Notwithstanding the above provision the increase in the Base Rent will not be more than five percent (5%) of the immediately preceding year's Base Rent. For example only; if the rent payable immediately preceding the adjustment date is $100 and the C.P.I. indexation is 1.04, then the maximum rent is $105 and the applicable rent is $104, the following year the figures will be 1.0816, $110.24 (max) respectively and $108.16 the applicable rent.

5. Article 5 Use of Premises

Tenant shall use the Premises solely for the "Permitted Use," as that term is defined in Section 13 of the Summary, and Tenant shall not use or permit the Premises to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed. Landlord shall respond promptly to a request to change of use. Tenant further covenants and agrees that Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the Rules and Regulations, or in violation of the laws of the United States of America, the State of California, or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Project. Tenant shall faithfully observe and comply with the Rules and Regulations set forth in Exhibit B attached hereto. Landlord shall not be responsible to Tenant for the nonperformance of any of such Rules and Regulations by or-otherwise with respect to the acts or omissions of any other tenants or occupants of the Project. Tenant shall comply with all recorded covenants, conditions, and restrictions now or hereafter affecting the Project. Tenant shall not use or allow another person or entity to use any part of the Premises for the storage, use, treatment, manufacture or sale of hazardous materials or substances as defined pursuant to any applicable federal, state or local governmental or quasi-governmental law, code, ordinance, rule, or regulation. Landlord acknowledges, however, that Tenant will maintain products in the Premises which are incidental to the operation of its offices, such as photocopy supplies, secretarial supplies and limited janitorial supplies, which products contain chemicals which are categorized as hazardous materials. Landlord agrees that the use of such products in the Premises in compliance with all applicable laws and in the manner in which such products are designed to be used shall not be a violation by Tenant of this Article 5 .

6. Article 6 Services and Utilities

6.1 Standard Tenant Services . Landlord shall provide the following services on all days during the Lease Term, unless otherwise stated below, and Tenant shall reimburse Landlord a pro-rata share of the cost and charges for utilities in connection with the services. If a separate meter for any utilities is used for the premises, tenant shall pay all charges for such utilities.

6.1.1 Subject to all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating and air conditioning facilities which Tenant may use at such hours as Tenant may select when necessary for normal comfort for normal office use in the Premises.

6.1.2 Landlord shall provide adequate electrical wiring and facilities for connection to Tenant's lighting fixtures and incidental use equipment. Tenant shall pay for all utilities used at the Building, and Landlord shall cause the utilities to be separately metered so they can be placed in Tenant's name. Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-building standard lighting fixtures within the Premises.

6.1.3 Landlord shall provide facilities to bring city water to the regular Building outlets for drinking, lavatory and toilet purposes. Tenant to pay a pro-rata share of the cost of water.

6.1.4 Landlord shall provide window washing services to the Building as least as often as provided to comparable first-class buildings in the vicinity of the Building, but in no event less than two (2) times per year. Tenant shall reimburse Landlord a pro-rata share of the cost and all charges for utilities in connection with the services.

6.1.5 Landlord shall provide two (2) elevators in the Building to be operated during such hours, as Tenant shall select. Landlord shall service and repair the elevators as needed. Tenant shall reimburse Landlord a pro-rata share of the cost.

6.1.6 As part of the Tenant Improvements to be constructed by Landlord, the Building shall have an emergency, back-up power supply system that will assure the continuous supply of electrical power to such portions of the Building as Tenant may elect. The specifications for such system shall be supplied by Tenant and installed by Landlord at Tenant's expense as part of the Tenant Improvements.

6.1.7 Landlord shall provide security personnel for the Common Areas from 8:00 a.m. to 5:00 p.m. Monday through Friday, excluding national holidays. Tenant shall reimburse Landlord a pro-rata share of the costs and expenses of such security personnel. The need for such security personnel may be reviewed on the annual anniversary date of this Lease if requested by Landlord or Tenant.

6.1.8 Landlord shall provide janitorial services to the common areas serving the Premises at least as often as provided in comparable first-class buildings, but in no event less than Monday through Friday, nationally recognized holidays excluded. Tenant shall reimburse Landlords pro-rata share of the costs and expenses of such janitorial services.

6.1.9 Landlord will use best effort to provide all services described above at a reasonable cost.

6.2 Over standard Tenant Use . If Tenant's use of the Building exceeds normal wear and tear, particularly with regard to utilities-providing facilities, such as electrical facilities, heating and air conditioning, such that excessive wear and tear occurs, Tenant shall be responsible for the cost of remediating such excessive wear and tear.

6.3 Interruption of Use . Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Project after reasonable effort to do so, by

any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6 . Landlord may comply with voluntary controls or guidelines promulgated by any governmental entity relating to the use or conservation of energy, water, gas, light or electricity or the reduction of automobile or other emissions without creating any liability of Landlord to Tenant under this Lease, provided that the Premises are not thereby rendered untenantable. If, however, Landlord defaults hereunder and fails to provide Tenant the quiet enjoyment of the Premises in any material way after a reasonable opportunity to cure the default, Tenant may terminate this Lease.

7. Article 7 Maintenance and Repairs

Landlord shall repair and maintain the structural portions of the Building, and the plumbing, heating, ventilating, air-conditioning and electrical systems installed or furnished by Landlord and located within or outside the Premises, with tenant to pay its pro rata share of such expenses, unless such maintenance and repairs are for structural elements of the Building or is caused by the act, neglect, fault or omission of any duty of Landlord. Tenant shall, at Tenant's own expense, pursuant to the terms of this Lease, including without limitation Article 8 hereof, keep the Premises, including all improvements, fixtures and furnishings therein, in good order, repair and condition at all times during the Lease Term, reasonable wear and tear excepted. If either Landlord or Tenant fails in its obligations to make, or to commence making and diligently pursue, a repair under the terms of this Lease, after reasonable notice, assumed to be thirty (30) days in non-emergency situations, the other party may accomplish the repair at the expense of the party failing to make the repair, provided such expense is reasonable, and provided the party charged has had a fair opportunity to accomplish the repair. Landlord may, but shall not be required to, enter the Premises at all reasonable times to make such repairs, alterations, improvements and additions to the Premises or to the Project or to any equipment located in the Project as Landlord shall desire or deem necessary or as Landlord may be required to do by governmental or quasi-governmental authority or court order or decree. Not withstanding the above except in cases of emergency, Landlord shall give Tenant two days advance written notice prior to entry into the Premises by, through or on behalf of Landlord. Tenant hereby waives and releases its right to make repairs at Landlord's expense under Sections 1941 and 1942 of the California Civil Code or under any similar law, statute, or ordinance now or hereafter in effect.

8. Article 8 Additions and Alterations

8.1 Landlord's Consent to Alterations . Tenant may make any improvements, alterations, additions or changes to the Premises (collectively, the "Alterations") consistent with general office use so long as such Alterations (i) have no effect on the exterior of the Building or its appearance, (ii) do not block windows, (iii) do not result in demising walls ending in the middle of windows, (iv) have no effect on the structural elements, and (v) will not cause excessive wear on Building systems, such as electrical, plumbing and HVAC systems, and no Landlord consent

is required. All other Alterations require the prior written consent of Landlord, which consent shall not be unreasonably withheld. Landlord shall promptly respond to requests for its consent. Such Alterations shall (i) comply with all applicable laws, ordinances, rules and regulations; (ii) are compatible with the Project and its mechanical, electrical, heating, ventilating, air-conditioning, and life safety systems; (iii) are not visible from the exterior of the Building; and (iv) do not affect the structural portions of the Building. Tenant shall notify Landlord of all Alterations within thirty (30) days of completion and shall provide Landlord with a copy of any "as built" plans and a copy of the improvement plans submitted to a governmental agency for issuance of a permit. The construction of the initial improvements to the Premises shall be in accordance with the Tenant Improvement Plans, attached hereto as Exhibit D , and not the terms of this Article 8 .

8.2 Manner of Construction . Landlord may impose, as a condition of its consent to unique Alterations or repairs of the Premises the requirement that upon Landlord's request, Tenant shall, at Tenant's expense, remove such Alterations upon the expiration or any early termination of the Lease Term, and/or the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen selected by Landlord. Landlord may also require Tenant, at the expiration or early termination of the Lease Term, to remove Tenant Improvements made without Landlord's consent. Tenant shall construct such Alterations and perform such repairs in conformance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance and pursuant to a valid building permit, issued by the applicable governmental authorities. All work with respect to any Alterations must be done in a good and workmanlike manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the period of work. In performing the work of any such Alterations, Tenant shall have the work performed in such manner as not to unreasonably obstruct access to the Building, the Project, or Common Areas for any other tenant of the Project, and as not to unreasonably obstruct the business of Landlord or other tenants in the Building and/or the Project, or unreasonably interfere with the labor force working in the Project. Upon completion of any Alterations, Tenant agrees to cause a timely Notice of Completion to be recorded in the office of the County Recorder in accordance with the terms of Section 3093 of the Civil Code of the State of California or any successor statute.

8.3 Payment for Improvements . Tenant shall promptly pay all contractors, subcontractors and materialmen supplying labor and materials to any work being done by Tenant at the Premises.

8.4 Construction Insurance . In the event that Tenant makes any Alterations Tenant agrees to carry "Builder's All Risk" insurance in an amount reasonably approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof.

8.5 Landlord's Property . All Alterations, improvements, fixtures, signs and/or equipment which may be installed or placed in or about the Premises by Tenant shall be and become the property of Landlord, except that Tenant may remove any Alterations, improvements, fixtures and/or equipment which Tenant can substantiate to Landlord have not been paid for with any tenant improvement allowance funds provided to Tenant by Landlord, provided Tenant repairs any damage to the Premises and the Building caused by such removal. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations as required herein, Landlord may do so and may charge the cost thereof to Tenant.

9. Article 9 Covenant Against Liens

Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon the Project, the Building or the Premises, and any and all liens and encumbrances created by Tenant shall attach to Tenant's interest only. Landlord shall have the right at all times to post and keep posted on the Premises any notice which it deems necessary for protection from such liens. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen or others to be placed against the Project, the Building or the Premises with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and, in case of any such lien attaching or notice of any lien, Tenant covenants and agrees to cause it to be immediately released and removed of record. Notwithstanding anything to the contrary set forth in this Lease , in the event that such lien is not released and removed on or before the date occurring ten (10) days after Landlord's written notice to Tenant, Landlord may immediately take all action necessary to release and remove the lien, without any duty-to investigate the validity of it, unless Tenant has properly bonded against the lien as provided by law and has commenced legal action to contest, dispute or defend the claims of the lienholders or the validity of the liens and continues to prosecute such action to judgment.

10. Article 10 Insurance

10.1 Indemnification and Waiver .

10.1.1 Absent Landlord's gross negligence or willful misconduct, and to the ' extent not prohibited by law, Landlord, its partners, trustees, ancillary trustees and their respective officers, directors, shareholders, beneficiaries, agents, servants, employees, and independent contractors (collectively, the "Landlord Parties") shall not be liable for any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant. Tenant shall indemnify, defend, protect, and hold harmless Landlord Parties from loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from any cause related to Tenant's occupancy in, on or about the Premises or any acts, omissions or negligence of Tenant or of any person claiming through Tenant and its officers, agents, servants, employees, and independent contractors (collectively, the "Tenant Parties"), in, on or about the Project, regardless of whether the claim is made during, or after the expiration of the Lease Term, so long as the events giving rise to the claim occur during the Lease Term, provided that the terms of the foregoing indemnity shall not apply to the gross negligence or willful misconduct of Landlord or the Landlord Parties. Should Landlord be named as a defendant in any suit brought against Tenant in connection with the foregoing indemnity, Tenant shall defend Landlord with counsel reasonably acceptable to Landlord, provided Landlord's insurer allows such arrangement. Further, Tenant's agreement to indemnify Landlord pursuant to this Section 10.1 is not intended and shall not relieve any insurance carrier of its obligations under policies

required to be carried by Tenant pursuant to the provision of this Lease, to the extent such policies cover the matters subject to Tenant's indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease for a period of one (1) year with respect to any claims or liability occurring prior to such expiration or termination.

10.1.2 After Tenant's gross negligence or willful misconduct, Landlord shall, with counsel selected by Landlord's insurer, indemnify, defend and hold harmless Tenant Parties from and against all claims for damages to property outside the Premises to the extent that such claims are covered by insurance carried or required to be carried by Landlord pursuant to the terms of this Lease. In addition, Landlord shall, with counsel reasonably acceptable to Tenant, indemnify, defend and hold harmless Tenant Parties from and against all claims resulting from the gross negligence, omissions or willful misconduct of Landlord in connection with Landlord's activities in, on or about the Project or the Building.

10.2 Tenant's Compliance with Landlord's Fire and Casualty Insurance . The coverage and amounts of insurance carried by Landlord in connection with the Project shall at a minimum be comparable to the coverage and amounts of insurance which are carried by reasonably prudent landlords of comparable buildings located in the vicinity of the Project. Tenant shall pay its pro rata share of such insurance costs. Tenant shall, at Tenant's expense, comply with all insurance company requirements pertaining to the Tenant's use of the Premises for general office purposes. If Tenant's conduct or use of the Premises causes any increase in the premium for any insurance at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body.

10.3 Tenant's Insurance . Tenant shall maintain at its expense the following coverages in the following amounts.

10.3.1 Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage arising out of Tenant's operations, assumed liabilities or use of the Premises, including a Commercial General Liability endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 10.1 of this Lease, for limits of liability not less than: (i) Bodily Injury and Property Damage Liability—$3,000,000 for each occurrence and $3,000,000 annual aggregate, and (ii) Personal Injury Liability -$3,000,000 each occurrence and $3,000,000 annual aggregate.

10.3.2 Physical Damage Insurance covering (i) all office furniture, trade fixtures, office equipment, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, (ii) the "Tenant Improvements," as that term is defined in the Tenant Improvement Plans, and (iii) all other improvements, alterations and additions to the Premises. Such insurance shall be written on an "all risks" of physical loss or damage basis, for the guaranteed replacement cost value new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include a vandalism and malicious mischief endorsement, sprinkler leakage coverage and earthquake sprinkler leakage coverage.

10.3.3 Loss-of-income and extra-expense insurance in such amounts as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent tenants or attributable to prevention of access to the Premises or to the Project as a result of such perils.

10.3.4 Form of Policies . The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) name Landlord, and any other party it so specifies by written notice, as an additional insured; (ii) specifically cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 10.1 of this Lease; (iii) be issued by an insurance company having a rating of not less than A-XII in Best's Insurance Guide or which is otherwise acceptable to Landlord and authorized to do business in the State of California; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is noncontributing with any insurance requirement of Tenant; (v) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord; and (vi) contain a cross-liability endorsement or severability of interest clause acceptable to Landlord. Tenant shall delivery said policy or policies or certificates thereof to Landlord on or before the Lease Commencement Date and at least thirty (30) days prior before the expiration dates thereof. Policies of insurance provided for herein may be carried under blanket or umbrella policies which the insuring party has in force.

10.4 Subrogation . Landlord and Tenant agree to have their respective insurance companies issuing property damage insurance waive any rights of subrogation that such companies may have against Landlord or Tenant, as the case may be, so long as the insurance carried by Landlord and Tenant, respectively, is not invalidated thereby. As long as such waivers of subrogation are contained in their respective insurance policies, Landlord and Tenant hereby waive any right that either may have against the other on account of any loss or damage to their respective property to the extent such loss or damage is insurable under policies of insurance for fire and all risk coverage, theft, or other similar insurance. If either party fails to carry the amounts and types of insurance required to be carried by its pursuant to this Article 10 , in addition to any remedies the other party may have under this Lease, such failure shall be deemed to be a covenant and agreement by such party to self-insure with respect to the type and amount of insurance which such party so failed to carry, with full waiver of subrogation with respect thereto.

11. Article 11 Damage and Destruction

11.1 Repair of Damage to Premises by Landlord . Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty or any condition existing in the Premises as a result of a fire or other casualty that would give rise to the terms of this Article 11 . If the Premises or any Common Areas of the Project serving or providing access to the Premises shall be damaged by fire or other casualty or be subject to a condition existing as a result of a fire or other casualty, Landlord shall promptly and diligently, subject to reasonable

delays for insurance adjustment and permitting by the building department or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11 , restore the Building and such Common Areas to substantially the same condition as existed prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Building or the Project. Notwithstanding any other provision of this Lease, upon the occurrence of any damage to the Premises, upon notice (the "Landlord Repair Notice") to Tenant from Landlord, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3 of this Lease covering Tenant Improvements that are fixtures, and Landlord shall repair any injury or damage to the Tenant Improvements installed in the Premises and shall return such Tenant Improvements installed in the Premises and shall return such Tenant Improvements to their original condition; provided that if the cost of repair of Tenant Improvements not originally constructed by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, assigned by Tenant , the cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's repair of the damage. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damage the Premises or Common Areas necessary to Tenant's occupancy, and if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's employees, contractors, licensees, or invitees, Landlord shall allow Tenant a proportionate abatement of Rent, during the time and to the extent the Premises are unfit for occupancy for the purposes permitted under this Lease, and not occupied by Tenant as a result thereof; provided, further, if the Premises is damaged such that the remaining portion thereof is not sufficient to allow Tenant to conduct its business operations from such remaining portion and Tenant does not conduct its business operations therefrom, and if such damage is not the result of the negligence or willful misconduct of Tenant or any of the Tenant Parties, Landlord shall allow Tenant a total abatement of Rent during the time and to the extent the Premises are unfit for occupancy for the purposes permitted under this Lease, and not occupied by Tenant as a result of the subject damage. Since Tenant is carrying business interruption insurance, and Landlord is carrying rental-replacement insurance, Landlord and Tenant shall cooperate, each with the other, to minimize the impact of the casualty upon the other party. Further, in the event that Tenant requests Landlord to construct modified Tenant Improvements in any rebuilding, Landlord may condition its consent to such modifications on confirmation by Landlord's architect (which confirmation Landlord shall pursue in good faith) that the modifications will not increase the scope of work or the time necessary to complete the Tenant Improvements and may further condition its consent to Tenant's agreement to pay any excess costs caused by such modifications.

11.2 Landlord and Tenant's Option to Terminate Lease . Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not the rebuild and/or restore the Premises, the Building and/or the Project, and instead terminate this Lease by notifying Tenant in writing of such termination within sixty (60) days after the date of damage, such notice to include a termination date giving Tenant ninety (90) days to vacate the Premises, but Landlord may so elect only if the Building or the Project shall be damaged by fire or other casualty or cause or be subject to a condition existing as a result of such a fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (i) repairs cannot reasonably be completed within one hundred eighty (180) days of the date of damage (when such

repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building and/or the Project, or ground lessor with respect to the Project and/or the Building shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt; or (iii) the damage or condition arising as a result of such damage is not fully covered, except for deductible amounts, by Landlord's insurance policies; provided, however, that if Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided above, and the repairs cannot be completed within two hundred ten (210) days after being commenced, Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than ninety (90) days after the date of such damage, to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date of the damage. Tenant may request that Landlord inform Tenant of Landlord's reasonable opinion of the date of completion of the repairs and Landlord shall respond to such request with five (5) business days. Tenant's obligation to pay rent terminates the date of vacation of the Premises.

11.3 Waiver of Statutory Provisions . The provisions of this Lease, including this Article 11 , constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building, or the Project, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in affect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building, or the Project.

11.4 Damage Near End of Term . In the event that the Premises or the Building is destroyed or damaged to any substantial extent during the last eighteen (18) months of the Lease Term and, in the reasonable judgment of Landlord, the damage or destruction to the Premises or the Building cannot be repaired by the date which is six (6) months prior to the Lease Expiration Date, then notwithstanding anything contained in this Article 11 , either Landlord or Tenant shall have the option to terminate this Lease by giving written notice to the other party of the exercise of such option with thirty (30) days after such damage or destruction, in which event this Lease shall cease and terminate as of the date of such notice, Tenant shall pay the Base Rent and Additional Rent, properly apportioned up to such date of damage, and both parties hereto shall thereafter be freed and discharged of all further obligations hereunder, except as provided for in provisions of this Lease which by their terms survive the expiration or earlier termination of the Lease Term. However, if Tenant has the right to extend the term of this Lease by exercising an option to do so under Article 2, Tenant may exercise such option and avoid Landlord's right to terminate this Lease.

12. Article 12 Nonwaiver

No waiver of any provision of this Lease shall be implied by any failure of either party to enforce any remedy on account of the violation of such provision, even if such violation shall continue or be repeated subsequently, any waiver by a party of any provision of this Lease may only be in writing, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of monies by a party after the termination of this Lease shall in any way alter the length of the

Lease Term or of either party's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given to either party prior to the receipt of such monies. It is agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment. No payment by Tenant or receipt or acceptance by Landlord of a lesser amount than the correct Rent due shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance, treat such partial payment as a default or pursue any other remedy provided in this Lease or at law. Further, it is agreed that Tenant may receive a payment from Landlord, and such payment shall not waive or otherwise affect Tenant's rights unless Tenant shall expressly so agree. Further, no endorsement or statement of any check or any letter accompanying any check or payment shall be deemed in a court and satisfaction, and Tenant may accept such check or payment without prejudice to Tenant's rights to recover the balance, treat such partial payment as a default or pursue any other remedy provided in this Lease or at law.

13. Article 13 Condemnation

If twenty-five percent (25%) or more of the Premises, the Building, or the Project shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease upon ninety (90) days' notice, provided such notice is given no later than one hundred eighty (180) days after the date of such taking, condemnation, reconfiguration, vacation, deed or other instrument. If any material portion of the Premises is taken, or if access to the Premises is substantially impaired, or parking areas allocated to Tenant are reduced by ten percent (10%) or more without comparable replacement parking, Tenant shall have the option to terminate this Lease upon ninety (90) days' notice, provided such notice is given no later than one hundred eighty (180) days after the date of such taking. Landlord shall be entitled to receive the entire award or payment in connection therewith, except that (i) Tenant shall be entitled to a portion of such award based upon the amount paid by Tenant for Tenant Improvements at the time of construction of the Building compared to the total amount paid by Landlord to acquire the Property and construct the Building and related common areas, and (ii) Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claim does not diminish the award available to Landlord, its ground lessor with respect to the Building and/or the Project or its mortgagee, and such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination, or the date of such taking, whichever shall first occur. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.1230 of the California Code of Civil Procedure.

14. Article 14 Assignment and Subletting

14.1 Assignment by Tenant . Tenant may assign Tenant's interest in this Lease to a third party so long as (i) Tenant remains fully liable and responsible for the obligations imposed by this Lease and (ii) Landlord consents to such assignment, with such consent not to be unreasonably withheld. If Tenant shall desire Landlord's consent to any assignment, Tenant shall notify Landlord in writing, which notice (the "Notice") shall include (i) the proposed effective date of the assignment, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Notice, (ii) all of the terms of the proposed assignment and the consideration therefor, including a calculation of the "Transfer Premium," as that term is defined in Section 14.3 , below, in connection with such assignment, the name and address of the proposed assignee, and a copy of all existing and/or proposed documentation pertaining to the proposed assignee, including all existing operative documents to be executed to evidence such assignment or the agreements incidental or related to such assignment, (iv) current financial statements of the proposed assignee certified by an officer, partner or owner thereof, and any other information required by Landlord, which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed assignee, nature of such assignee's business and proposed use of the Subject Space, (v) an executed estoppel certificate from Tenant in the form attached hereto as Exhibit E , and (vi) such other information as Landlord may reasonably require. Any assignment made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under Section 19.1.2 of this Lease. Whether or not Landlord shall grant consent, Tenant shall pay Landlord's reasonable review and processing fees, as well as any reasonable legal fees incurred by Landlord, within thirty (30) days after written request by Landlord.

14.2 Landlord's Consent . Landlord shall not unreasonably withhold its consent to any proposed assignment of the Lease on the terms specified in the Notice. The parties hereby agree that it shall be deemed to be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed assignment where one or more of the following apply, without limitation as to other reasonable grounds for withholding consent:

14.2.1 The assignee is of a character or reputation or engaged in a business which is not consistent with the quality of the Project;

14.2.2 The assignee is either a governmental agency or instrumentality thereof (i) which is that of a foreign country, (ii) which is of a character or reputation, is engaged in a business, or is of, or is associated with, a political orientation or faction, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of a comparable building located in the vicinity of the Project, (iii) which is capable of exercising the power of eminent domain or condemnation, or (iv) which would significantly increase the human traffic in the Premises, the Building, and/or the Project:

14.2.3 The assignee's intended use of the Premises is inconsistent with the Permitted Use; or

14.2.4 The assignee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities involved under the Lease on the date consent is requested;

14.2.5 Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed assignee claims that Landlord has unreasonably withheld or delayed its consent under Section 14.2 or otherwise has breached or acted unreasonably under this Article 14 , their sole remedies shall be declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant hereby waives any right at law or equity to terminate this Lease.

14.3 Assignment Premium . If Landlord consents to an assignment as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined in this Section 14.3 , received by Tenant from such assignee. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such assignee in excess of the Rent and Additional Rent payable by Tenant under this Lease, on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the assignment, (ii) any brokerage commissions in connection with the assignment, and (iii) any costs to buy-out or takeover the previous lease of an assignee. "Transfer Premium" shall also include, but not be limited to, key money and bonus money paid by assignee to Tenant in connection with such assignment, and any payment in excess of fair market value for services rendered-by Tenant to assignee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to assignee in connection with such assignment. In the calculations of the Rent, the Rent paid during each annual period shall be computed after adjusting such rent to the actual effective rent to be paid, taking into consideration any and all leasehold concessions granted in connection therewith, including, but not limited to, any rent credit and tenant improvement allowance. For purposes of calculating any such effective rent, all such concessions shall be amortized on a straight-line basis over the relevant term.

14.4 Landlord's Option as to Subject Space . Notwithstanding anything to the contrary contained in this Article 14 , Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of any Transfer Notice, which notifies Landlord that Tenant no longer occupies at least Twenty Five Thousand (25,000) square feet of rentable space, to (i) recapture the Premises, or (ii) take an assignment from Tenant. The Landlord shall have such rights only if Tenant no longer occupies Twenty Five Thousand (25,000) square feet of the Building. Such recapture, or sublease or assignment notice shall cancel and terminate the Lease, or create a sublease or assignment, as the case may be, with respect to the Building as of the date stated in the Transfer Notice as the effective date of the proposed Transfer until the last day of the term of the Transfer as set forth in the Transfer Notice. In the event of a recapture by Landlord, if this Lease shall be canceled.

14.5 Non-Transfers . Notwithstanding anything to the contrary contained in this Lease, neither (i) an assignment to a transferee of all or substantially all of the assets of Tenant, (ii) an assignment of the Premises to a transferee which is the resulting entity of a merger of consolidation of Tenant with another entity, nor (iii) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant), shall be deemed a Transfer under Article 14 of this Lease, provided that Tenant notifies Landlord of any such assignment or sublease and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such transfer or transferee as set forth in items (i) through (iii) above, that such transferee or affiliate shall have a net worth at least equal to the net worth of Tenant immediately prior to such assignment.

14.6 Subleases . Tenant may sublease portions of the Building without Landlord's consent provided the sublease and sublessee meet the criteria set forth in Section 14.2 hereof. Tenant shall supply to Landlord copies of all subleases entered into by Tenant with third parties. If Tenant subleases all or substantially all of the Premises, a sublease shall be considered an assignment subject to the requirements of Sections 14.1-14.3 of this Lease.

15. Article 15 Surrender of Premises; Removal of Trade Fixtures

15.1 Surrender of Premises . No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in a writing signed by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord, exercised by written notice to all subtenants within ten (10) days from the surrender or termination shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises.

15.2 Removal of Tenant Property by Tenant . All articles of personal property and all business and trade fixtures, machinery and equipment, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises, which items are not a part of the Tenant Improvements installed in the Premises, shall remain the property of Tenant, and may be removed by Tenant at any time during the Lease Term as long as Tenant is not in default under this Lease with any applicable cure period having expired. Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15 , quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, free-standing cabinet work, and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may require to be removed, and Tenant shall repair at its own expense all damage to the Premises and the Building resulting from such removal. Not withstanding anything to the contrary to this lease, Tenant shall not be required to remove any alterations or improvements from the Premises at the expiration or early termination of this Lease unless said alteration/improvement does not comply with the first sentence of Section 8.1 above.

16. Article 16 Holding Over

If Tenant holds over after the expiration of the Lease Term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term. If the holding over is without Landlord's consent, Rent shall be payable at a monthly rate equal to one hundred twenty-five percent (125%) of the Rent applicable during the last rental period of the Lease Term under this Lease. Such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. Tenant acknowledges that if Tenant holds over without Landlord's consent, such holding over may compromise or otherwise affect Landlord's ability to enter into new leases with prospective tenants regarding the Premises. Therefore, if Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting-the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender, and any losses suffered by Landlord, including lost profits, resulting from such failure to surrender.

17. Article 17 Estoppel Certificates

17.1 Landlord's Right . Within ten (10) days following a request in writing by Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate, which shall be in commercially reasonable form, including such form as may be required by any prospective mortgagee or purchaser of the Building, the Project, or any portion thereof, indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee or purchasers. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term, Landlord may require tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with general accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant.

17.2 Tenant's Right . Within ten (10) days following a request in writing by Tenant, Landlord shall execute and deliver to Tenant an estoppel certificate containing any information reasonably requested by Tenant or Tenant's prospective tenant or purchaser. Landlord shall execute and deliver whatever other documents may be reasonably required for such purposes.

18. Article 18 Subordination

This Lease is subject and subordinate to the lien of any mortgages or trust deeds, now or hereafter in force against the Project and/or the Building, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages or trust deeds, require in writing that this Lease be superior thereto. In consideration of, and as a condition precedent to, Tenant's agreement to permit its interest pursuant to this Lease to be subordinated to the lien of any first trust deed, and to any renewals, extensions, modifications, consolidations and replacements thereof, Landlord shall deliver to Tenant a commercially reasonable nondisturbance agreement executed by the holder of such trust deed. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage, to attorn, without any deductions or set-offs other than those expressly authorized by this Lease, to the purchaser upon any such foreclosure sale if so requested to do so by such purchaser, and to recognize such purchaser as the lessor under this Lease. Tenant shall, within fifteen (15) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages or trust deeds, including the Attornment and Nondisturbance Agreement attached hereto as Exhibit E . Further, this Lease shall be subject and subordinate to any future ground lease or underlying lease of the Project and/or the Building by Landlord to a third party. As a condition precedent to Tenant's agreement to permit its interest under this Lease to be subordinated to such future leases, Landlord shall deliver to Tenant a commercially reasonable nondisturbance agreement executed by the landlord under such leases confirming Tenant's right to remain in the Premises so long as Tenant performs its obligations under this Lease.

19. Article 19 Defaults: Remedies

19.1 Defaults . The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, within ten (10) calendar days of notice that the same is overdue, which notice shall be in lieu of any notice required under California Code of Civil Procedure Section 1161 or any similar or successor law; or

19.1.2 Any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 or any similar or successor law; and provided further that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure said default, as soon as possible; or

19.1.3 To the extent permitted by law, a general assignment by Tenant or any guarantor of the Lease for the benefit of creditors, or the taking of any corporate action in furtherance of bankruptcy or dissolution whether or not there exists any proceeding under an insolvency or bankruptcy law, or the filing by or against Tenant or any guarantor of any proceeding under an insolvency or bankruptcy law, unless in the case of a proceeding filed against Tenant or any

guarantor the same is dismissed within sixty (60) days, or the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant or any guarantor, unless possession is restored to Tenant or such guarantor within thirty (30) days, or any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within thirty (30) days; or

19.1.4 Abandonment of the Premises by Tenant, provided however that Tenant may leave the Premises vacant so long as Tenant observes all the terms and conditions of this Lease.

19.2 Remedies Upon Default . Upon the occurrence of a default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefore; and Landlord may recover from Tenant the following:

19.2.1.1 The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

19.2.1.2 The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

19.2.1.3 The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

19.2.1.4 Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result there from, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses or remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

19.2.1.5 At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

19.2.1.6 The term "rent" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Paragraphs 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in Article 25 of this Lease, but in no case greater than the maximum amount of such interest permitted by law. As used in Paragraph 19.2.1(iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover Rent as it becomes due, if lessee has the right to sublet or assign, subject only-to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant , Landlord may, from time to time, without terminating this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.3 Subleases of Tenant . Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 19 , Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.4 Form of Payment After Default . Following the occurrence of a monetary default by Tenant, Landlord shall have the right to require that any or all subsequent amounts paid by Tenant to Landlord hereunder, whether in the cure of the default in question or otherwise, be paid in the form of money order, cashier's or certified check drawn on an institution acceptable to Landlord, or by other means approved by Landlord, notwithstanding any prior practice of accepting payments in any different form.

19.5 Efforts to Re-let . For the purposes of this Article 19 , Tenant's right to possession shall not be deemed to have been terminated by efforts of Landlord to re-let the Premises, by its acts of maintenance or preservation with respect to the Premises, or by appointment of a receiver to protect Landlord's interests hereunder. The foregoing enumeration is not exhaustive, but merely illustrative of acts which may be performed by Landlord without terminating Tenant's right to possession.

19.6 Landlord's Default . If Landlord should be in default in the performance of any of its obligations under this Lease, which default continues for a period of more than thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default is of a nature to require more than thirty (30) days to remedy and continues beyond the time reasonably necessary to cure, Tenant may incur reasonable expenses necessary to perform the obligations of Landlord specified in such notice and be entitled to recover from Landlord such expenses within fifteen (15) days following receipt by Landlord of Tenant's demand therefor.

20. Article 20 Attorneys' Fees

If either party commences litigation against the other arising out of or in connection with this Lease, including but not limited to litigation, for the specific performance of this Lease, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the parties hereto agree to and hereby do waive any right to a trial by jury and, in the event of any such commencement of litigation, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorneys' fees as may have been incurred. The prevailing party shall be determined under Civil Code Section 1717(b)(1) or any successor statute.

21. Article 21 Security Deposit

Upon the Lease Signing, Tenant shall deposit with Landlord a security deposit (the "Security Deposit") in the amount set forth in Section 10 of the Summary. The Security Deposit shall be in cash or an irrevocable, unconditional letter of credit issued by a reputable bank in favor of Landlord. The Security Deposit shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the Lease Term. If Tenant defaults with respect to any provisions of this Lease, including, but not limited to, the provisions relating to the payment of Rent, Landlord may, but shall not be required to, use, apply or retain all or any part of the Security Deposit for the payment of any Rent or any other sum in default, or for the payment of any amount that Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage that Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a default under this Lease. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other provisions of law, now or hereafter in force, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant.

22. Article 22 Signs

22.1 Signage Rights . Tenant and any subtenant or assignee shall have the right to place signs containing its name at such place on the Building as the City of San Leandro shall permit and as Landlord may consent to, with Landlord's consent not to be unreasonably withheld. All signs installed shall be at Tenant's cost and are to be in keeping with the quality, design and style of the Building and the Project. Interior signage on the 3rd and 4th floors shall be at Tenant's cost, and Landlord's consent is not required unless such signage is visible from the exterior. No other signage is permitted on the interior of the Building without Landlord's consent.

22.2 Prohibited Signage and Other Items . Any signs, notices, logos, pictures, names or advertisements which are installed and that have not been individually approved by Landlord may be removed upon ten (10) days' notice by Landlord at the sole expense of Tenant. Tenant

may not install any signs on the Common Areas of the Project. Any signs, window coverings, or blinds (even if the same are located behind the Landlord approved window coverings for the Building), or other items visible from the exterior of the Premises or the Building are subject to the prior written approval of Landlord.

23. Article 23 Compliance with Law

Tenant shall not do anything or suffer anything to be done in or about the Premises or the Project which will in any way conflict with any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated. Should any standard or regulation now or hereafter be imposed on the use of the Building, the Tenant Improvements or Alterations made by Tenant by a state, federal or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, landlords or tenants, then Tenant agrees, at its sole cost and expense, to comply promptly with such standards or regulations as apply to the use of the Premises for general office purposes. Tenant shall be responsible, at its sole cost and expense, to make all alterations to the Premises as are required to comply with the governmental rules, regulations, requirements or standards described in this Article 23 . The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant.

24. Article 24 Late Charges

If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days (or such lesser period as Landlord's first trust deed lender may require) after said amount is due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount, plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent and other amounts owing hereunder (other than late charges) which are not paid on or before the date they are due shall thereafter bear interest until paid at a rate per annum equal to twelve percent (12%) per annum, provided that in no case shall such rate be higher than the highest rate permitted by applicable law.

25. Article 25 Landlord's Right to Cure Default; Payments By Tenant

25.1 Landlord's Cure . All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent. If Tenant shall fail to perform any of its obligations under this Lease, within a reasonable time after such performance is required by the terms of this Lease, Landlord may, but shall not be obligated to, after reasonable prior notice to Tenant as required by this Lease, make any such payment or perform any such act on Tenant's part without waiving its right based upon any default of Tenant and without releasing Tenant from any obligations hereunder.

25.2 Tenant's Reimbursement . Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, within fifteen (15) days after delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of Section 25.1 ; (ii) sums equal to all losses, hosts, liabilities, damages and expenses referred to in Article 10 of this Lease; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all legal fees and other amounts so expended. Tenant's obligations under this Section 25.2 shall survive the expiration or sooner termination of the Lease Term.

26. Article 26 Entry by Landlord

Landlord reserves the right at all reasonable times and upon two (2) days' advance written notice (which may be by facsimile) to the Tenant to enter the Premises during normal business hours to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or ground or underlying lessors, or, during the last six (6) months of the Lease Term, prospective tenants; (iii) post notices of non-responsibility; or (iv) alter, improve or repair the Premises, the Building, or the Project at any time if necessary to comply with current building codes or other applicable laws, or for structural alterations, repairs, or improvements to the Building or the Project. Landlord recognizes that Tenant will have security systems in place and will give as much advance notice of the need to enter as is reasonably possible. Notwithstanding anything to the contrary contained in this Article 26 , Landlord may enter the Premises at any time to (A) perform services required of Landlord; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant, which Tenant fails to perform. Landlord may make any such entries without the abatement of Rent and may take such steps as required to accomplish the stated purposes; provided, however, that any such entry shall be accomplished as expeditiously as reasonably possible. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. Notwithstanding anything to the contrary, Landlord shall, to the extent practicable, exercise its rights under this Article 26 at such times and in such manner as to minimize the impact upon Tenant's business in and occupancy of the Premises. If Landlord makes an emergency entry into the Premises but no authorized representative of Tenant is present, Landlord shall provide immediate telephone notice to Tenant and shall take reasonable steps to secure the Premises until a representative of Tenant arises at the Premises.

27. Article 27 Tenant Parking

27.1 Parking Rights . Throughout the Lease term, Tenant shall have the non-exclusive use of one hundred sixty (160) parking spaces. The area of such parking spaces is marked on the portion of Exhibit A showing parking for the Building. Such allocated parking is included in the Base Rent paid by Tenant and no additional rent, other than Tenant's share of maintenance and repair, is payable by Tenant for parking or the gate or key systems used to regulate parking. Landlord represents and warrants that the parking granted to Tenant under this Article 27 will be available to Tenant continuously for the Lease Term. Tenant shall have the right to use its parking twenty-four (24) hours per day, seven (7) days per week, including holidays.

27.2 Temporary Parking Rights . Landlord may provide for Tenant's use from time to time during construction areas of the Property for use as temporary parking but only if such does not hinder the efficient construction of the Building and the Common Areas. Landlord shall provide the parking area without charge, except Tenant shall pay for any costs associated with preparing such area for parking use that are incurred solely as a result of Tenant's use of the area for temporary parking.

28. Article 28 Miscellaneous Provisions

28.1 Binding Effect . Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

28.2 Intentionally left blank.

28.3 Modification of Lease . Landlord shall have ninety (90) days after execution of this Lease to submit it to prospective mortgagees for the Building or the Project and request such mortgagees to state the modification or modifications of this Lease, which modification or modifications will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees not to unreasonably withhold its consent to such modifications. Landlord shall pay Tenant's legal fees for the review of modifications requested by the mortgagee. A Memorandum of Lease shall be recorded containing, among other customary provisions, the names of the parties, a description of the Premises and the Lease Term, a summary of Tenant's right to purchase and Tenant's parking rights. Tenant agrees to execute such short form of Lease and to delivery the same to Landlord within ten (10) days following the request therefor.

28.4 Transfer of Landlord's Interest . Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project and/or the Building and in this Lease. Tenant agrees that in the event of a transfer of all of Landlord's interest in the Project and a transfer of the Security Deposit to a bona fide purchaser similar in net worth to the Landlord or to other office building owners in the East Bay Area, Landlord shall automatically be released from all liability thereafter accruing under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

28.5 Prohibition Against Recording . Except as provided in Section 28.3 of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Landlord or Tenant or by anyone acting through, under or on behalf of Landlord or Tenant, and the recording thereof in violation of this provision shall make this Lease null and void at the election of the non-recording party.

28.6 Captions . The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

28.7 Relationship of Parties . Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship or principal and agent, partnership, joint venturer or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

28.8 Time of Essence . Time is of the essence of this Lease and each or its provisions.

28.9 Partial Invalidity . If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision-or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law, unless an essential purpose of this Lease would be defeated by loss of the invalid or unenforceable provision.

28.10 Landlord Exculpation . It is expressly understood and agreed that notwithstanding anything in this Lease to the contrary, and notwithstanding any applicable law to the contrary, the liability of Landlord and the Landlord Parties hereunder (including any successor landlord) and any recourse by Tenant against Landlord or the Landlord Parties shall be limited solely and exclusively to the interest of Landlord in the Building, and neither Landlord nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant.

28.11 Entire Agreement . It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed with respect to the subject matter thereof. This Lease, the exhibits and schedules attached hereto, and any side letter or separate agreement executed by Landlord and Tenant in connection with this Lease and dated of even date herewith contain all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Premises, shall be considered to be the only agreement between the parties hereto and their representatives and agents, and none of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

28.12 Intentionally left blank.

28.13 Force Majeure . Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (collectively, the "Force Majeure"), except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease, and except as to Tenant's obligations under Articles 5 and 24 of this Lease notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of any obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

28.14 Notices . All notices, demands, statements, approvals or communications (collectively, "Notices") given or required to be given by either party to the other hereunder shall be in writing, shall be sent by United States certified or registered mail, postage prepaid, return receipt requested, or delivered personally (i) to Tenant at the appropriate address set forth in Section 5 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at the addresses set forth in Section 3 of the Summary, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given on the date three (3) days from the date it is mailed as provided in this Section 28.14 or upon the date personal delivery is made or rejected. If Tenant is notified in writing of the identity and address of Landlord's mortgagee or ground or underlying lessor, Tenant shall give to such mortgagee or ground or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground or underlying lessor shall have the right to cure such default within the same time given to Landlord to cure the default.

28.15 Intentionally left blank.

28.16 Joint and Several . If there is more than one Tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

28.17 Authority . If either party is a corporation, a partnership or other entity, each individual executing this Lease on behalf of such party hereby represents and warrants that the entity is a duly formed and existing entity qualified to do business in California and that such party has full right and authority to execute and deliver this Lease and that each person signing on behalf of such party is authorized to do so.

28.18 Governing Law . This Lease shall be construed and enforced in accordance with the laws of the State of California.

28.19 Submission of Lease . Intentionally left blank.

28.20 Brokers . Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 12 of the Summary and Landlord's designated representative (the "Brokers"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Landlord shall pay the brokerage commissions owing to the Brokers in connection with the transaction contemplated by this Lease pursuant to the terms of a separate written agreement between Landlord and the Brokers. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent other than the Brokers. The terms of this Section 28.20 shall survive the expiration or earlier termination of the Lease Term.

28.21 Independent Covenants . This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord; provided, however, that the foregoing shall in now way impair the right of Tenant to commence a separate action against Landlord for any violation by Landlord of the provisions hereof so long as notice is first given to Landlord and any holder of a mortgage or deed of trust covering the Building, the Project, or any portion thereof, of whose address Tenant has theretofore been notified, and an opportunity is granted to Landlord and such holder to correct such violations as provided above.

28.22 Intentionally left blank.

28.23 Transportation Management . Tenant shall fully comply with all present or future compulsory programs imposed by any public authority intended to manage parking, transportation or traffic in and around the Project, the Building, and/or the Adjacent Project, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities. Such programs may include, without limitation; (i) restrictions on the number of peak-hour vehicle trips generated by Tenant; (ii) encouragement of increased vehicle occupancy, (iii) implementation of an in-house or area ride-sharing program and an employee transportation coordinator; (iv) working with employees and any project, building or area-wide ride-sharing program manager; and (v) utilizing flexible work shifts for employees.

28.24 No Discrimination . Each party covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through such party, and this Lease is made and accepted upon and subject to the following conditions: that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, sex, religion, marital status, ancestry or national origin in the leasing, subleasing, transferring, use, or enjoyment of the Premises, nor shall either party, or any person claiming under or through such party, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, lessees, sublessees, subtenants or vendees in the Premises.

28.25 Intentionally left blank.

28.26 Intentionally left blank.

28.27 Intentionally left blank.

28.28 Landlord's Representation and Warranties . Landlord hereby represents and warrants that:

28.28.1 Landlord has full right and lawful authority to enter into and perform Landlord's obligations under the Lease; and, that Landlord has good and marketable title to the Project and to the Premises;

28.28.2 To the best knowledge of Landlord, there are no physical or legal conditions and/or impediments, laws, statutes, codes, rules or ordinances affecting the Project or the Premises that would now, or in the future, have the effect of impairing or prohibiting Tenant's intended use of the Premises. Such referenced conditions include, but are not limited to, rights of any other party to the use or occupancy of the Premises, enacted, pending or proposed condemnation proceedings, zoning ordinances and current or proposed plans to alter access to the Premises or the Project from surrounding public thoroughfare or private access ways;

28.28.3 Landlord represents and warrants that, to the best of its knowledge, there is no lien or encumbrance on the Project or the Premises (herein referred to as "Encumbrances") which contains any restriction on use, ingress or egress, or otherwise contains any provision that would restrict the intended use of the Premises by Tenant. Tenant shall have no liability for the violation of any term or condition of the Encumbrances or any of them or any default thereunder by Landlord or any owner, developer, other tenant, subtenant, occupant or permittee of the Project other than Tenant.

28.29 Hazardous Materials . Landlord hereby holds Tenant harmless from, and indemnifies and agrees to defend Tenant against, all present and future claims, demands, suits, legal and administrative proceedings, from any and all liability for damages, losses, costs, liabilities, fees and expenses (including reasonable attorneys' fees), present and future, arising out of or in any way connected with any condition of environmental contamination on, about or beneath the Premises, or the existence of hazardous materials in any state on, about, or beneath the Premises caused by Landlord, a previous owner of the Project or a previous or the current owner of the land underlying the Project, or by a prior or another tenant to the Project.

28.30 Hazardous Materials . Landlord hereby represents and warrants that, to the Landlord's actual knowledge, the Premises is not, and as of the date that Tenant takes possession of the Premises ("Possession Date"), will not be, in violation of any federal, state or local law, regulation or ordinance relating to industrial hygiene or which govern Hazardous Materials and/or environmental conditions in, on, under or about the Premises, including but not limited to air quality, and surface and subsurface soil and water conditions (individually and collectively,

"Environmental Regulations"). Landlord further represents and warrants that as of the Possession Date, the Premises do not contain any Hazardous material, and Landlord's work in the Premises shall not incorporate into the Premises any material containing Hazardous Materials. Any and all work performed by Landlord on the Premises from and after the Possession Date shall be free of all Hazardous Materials and shall be in compliance with all Environmental Regulations. In the event that the presence of any Hazardous Material is detected on the Premises in violation of any Environmental Regulation (i) prior to the Possession Date, or (ii) at any time during the term hereof as a part of or as a result of work by Landlord on/in the Premises, then in such event Landlord shall contain, remove, detoxify and/or remediate such Hazardous Material in compliance with all applicable Environmental Regulations (the "remedial work"). All such remedial work shall be performed by Landlord at Landlord's expense. In the event that such remedial work shall be performed prior to Tenant opening for business, Tenant's obligation to open shall be delayed until such remedial work is completed. In the event that such remedial work is performed subsequent to Tenant opening for business, Tenant's obligation to pay Base Rent shall be abated in direct proportion to the extent Tenant is unable to conduct its business upon the Premises as a result of such remedial work being necessary or while such remedial work is being performed. Landlord hereby agrees to indemnify and hold harmless Tenant, its directors, officers, employees and agents (the "Tenant Indemnitees") from and against any and all liability, including without limitation, all costs of defense and the cost of any required or necessary remedial work and/or repair, claimed, threatened or asserted against any Tenant Indemnitee arising out of the use, generation, transportation, storage, release or disposal of Hazardous Materials (a "Release") on or about the Premises which Release is a result of Landlord's work in the Premises or which occurred prior to the Possession Date.

28.31 "Hazardous Materials" as used herein shall include asbestos, petroleum fuel and products, Polychlorinated biphenyls (PCBs) and substances or compounds containing PCBs, and hazardous, toxic and radioactive substances, materials or wastes which are or become regulated by any local governmental authority, the State of California or the United States Government, including but not limited to:

28.31.1 Any "hazardous substance" as that term is defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) (42 United States Code Sections 9601-9675);

28.31.2 "Hazardous waste" as that term is defined in the Resource Conservation and Recovery Act of 1976 (RCRA) (42 United States Code Sections 6901-6992k); and

28.31.3 Any pollutant, contaminant or hazardous, dangerous or toxic chemical, material or substance, within the meaning of any other applicable federal, state or local law, regulation, ordinance or requirement (including consent decrees and administrative orders imposing liability or standards of conduct concerning any hazardous, dangerous or toxic waste, substance or material, now or hereafter in effect).

28.32 Right of First Refusal to Lease . In further consideration of the rent, covenants and conditions to be paid, performed and observed by Tenant, Landlord hereby grants to Tenant a right of first refusal to lease space in the Building as it becomes available, from the vacation of space by existing tenants (collectively, the "Additional Space"). In the event Landlord receives a

bona fide offer from a third party to lease the Additional Space which is acceptable to Landlord, Landlord shall promptly notify Tenant in writing of the offer, including the amount of rent offered and other terms and conditions of the offer. Tenant shall have five (5) business days within which to notify Landlord in writing whether Tenant agrees to lease the additional space at the amount of rent and on the same terms and conditions as the third-party offer. In the event Tenant elects to lease the Additional Space, the lease of the Additional Space shall be subject to the same terms and conditions as the third-party offer, including but not limited to amount of rent, term and commencement date. In the event Tenant fails to give written notice of its election to lease the Additional Space within the time required under this Section 28.32 , Landlord shall be free to accept the bona fide offer and lease the Additional Space to the third-party offeror. If the third party lease is at net net net rent that is less than ninety-five percent (95%) of the net net net rent offered to Tenant, Landlord must re-offer the space to Tenant at the lower net net net rent, and Tenant must accept or reject such offer as soon as possible, but in any event within five (5) business days. If the Additional Space subsequently becomes available again during the Lease term, Tenant shall have the same right of first refusal granted herein within respect to a bona fide offer to lease the Additional Space by a subsequent third-party offeror. Further, if and when Landlord constructs Building B of the Project, Landlord shall have the right to pre-lease, before construction is completed on Building B, any and all of Building B and grants to Tenant(s) in Building B right of first refusal to lease space in Building B. Tenant shall have a second right of refusal to lease space in Building B which is no longer occupied by a tenant in Building B or becomes available because of termination of first right of refusal. Tenant's right hereunder with regard to space-in Building B shall terminate in the event Landlord ceases to own Building B. Tenant shall have five (5) business days within which to exercise its right of refusal after receiving notice from Landlord. However, if any such lease or pre-lease is at net net net rent which is less than ninety-five percent (95%) of the net net net rent offered to Tenant, Landlord must re-offer the space to Tenant at the lower net net net rent, and Tenant must accept or reject such offer as soon as possible, but in any event within three (3) business days.

28.33 Tenant's Right of First Refusal to Purchase Building . If and only if the Tenant leases and occupies ninety percent (90%) or more square feet of Building A the following first right of refusal to purchase the Building is valid and in effect:

28.33.1 Landlord agrees that Landlord shall not sell the Premises during the term of this Lease except subject to the Lease. Landlord further agrees it will not sell the Premises to any person until Landlord has given to Tenant notice in writing of its intent to sell, specifying the price and terms and the contemplated sale. Within sixty (60) days after Landlord gives Tenant written notice of Landlord's intent to sell, Tenant shall have a one time right to purchase the Premises at the same price and on the same terms and conditions set forth in Landlord's written notice of intent to sell, except that the initial deposit shall be one percent (1%) of the purchase price, and Tenant shall have sixty (60) days within which to elect not to purchase because it cannot obtain satisfactory financing. To exercise its option, Tenant must, within the same sixty (60) day period, deposit in escrow with any escrow company in San Leandro, California, all monies and instruments required by the terms of Landlord's notice of intent to sell to be paid or delivered to Landlord to open escrow and shall also give Landlord written notice of the deposit. Tenant must then complete the purchase on the terms set forth in the Notice. If Tenant fails to exercise the right in accordance with the provisions of this Section, Landlord may sell the Premises to any other person provided the price is not less than ninety-five percent (95%) of the

price in the notice of intent. If Landlord later decides to accept a price which is less than ninety-five percent (95%) of the price set forth in the notice of intent, Landlord must again offer to sell to Tenant, but Tenant must accept or reject the offer in three (3) business days.

28.33.2 If at any time during the term of this Lease, Landlord receives from any third party a bona fide offer to purchase the Premises at a price and on terms acceptable to Landlord that is unsolicited and not part of Landlord's efforts to market the sale of the Premises as described in Section 28.33.1 above, Landlord shall give written notice of the offer to Tenant. Within ten (10) days after Landlord gives written notice of the third-party offer, Tenant shall have the right to purchase the Premises at the same price and on the same terms and conditions set forth in the third-party offer. To exercise its right, Tenant must, within said ten (10) day period notify Landlord of the exercise of the option and of Tenant's binding agreement to proceed with the purchase. Tenant must deposit in escrow with any recognized escrow company in San Leandro, California, all monies and instruments required by the terms of the offer to be paid or delivered at the opening of the escrow for the purchase of the Premises, and thereafter Tenant shall pay all sums and take all actions in order to complete the purchase of the Premises on the terms and conditions set forth in Landlord's written notice. In the event Tenant fails to exercise the option to purchase in accordance with the provisions of this Section 28.33.2 , Landlord may sell the Premises to the third party making the offer on the same terms and conditions set forth in that offer. If for any reason the Premises are not sold to the party making the offer, Landlord shall give Tenant the same right to purchase the Premises on receiving any subsequent unsolicited offer from a third party that is acceptable to Landlord.

28.33.3 The right of first refusal granted to Tenant shall exclude any transfer resulting from the death of David Inner or T. Lawrence Jett, any transfer by Landlord to any entity which Landlord or the owners of Landlord hold a fifty-one percent (51%) or greater ownership interest. The right of first refusal shall also not apply in the event of a foreclosure, or a deed in lieu of foreclosure, or a sale of the leased Premises by a lender who has foreclosed.

28.33.4 Tenant may not assign the rights granted under this Article either separately or together with a transfer of Tenant's leasehold interest, and any purported assignment shall be null and void.

28.33.5 If the Premises is sold to a third party during the term of this Lease, then the provisions of this Article shall thereafter be of no further force or effect.

28.34 The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

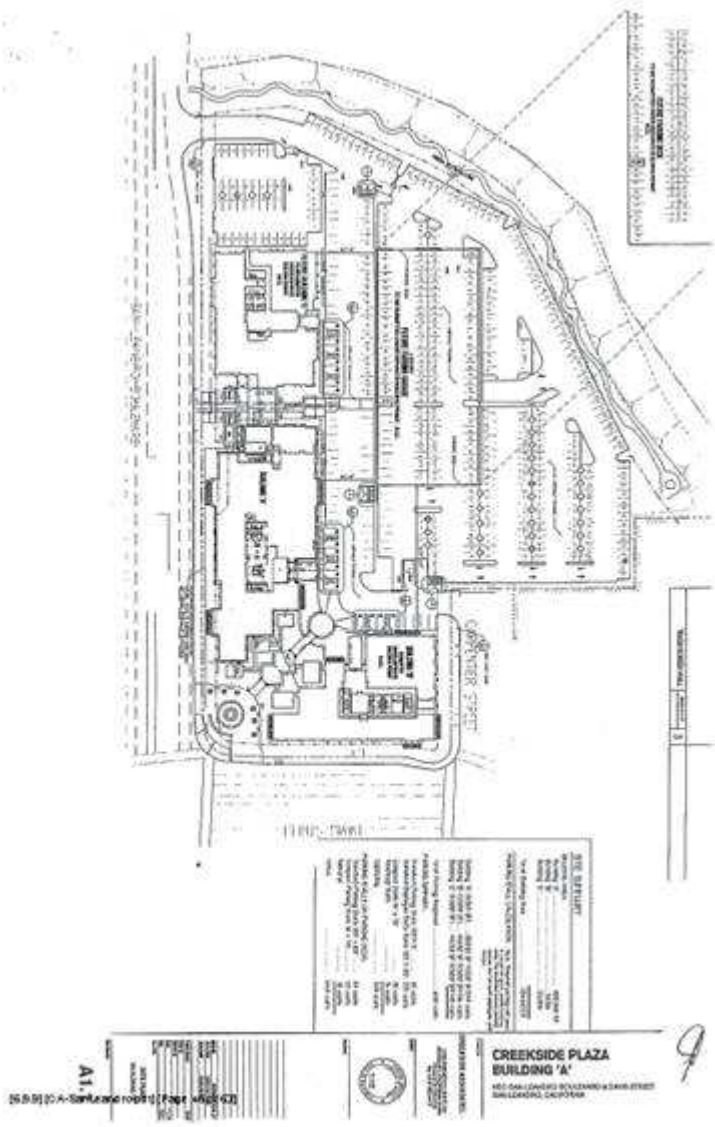
> "That there shall be no discrimination against or segregation of any person or group of persons, on race, color, creed, religion, sex, marital status, national origin, or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself, or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

IN WITNESS WHEREOF, Landlord and Tenant have caused their duly authorized representatives to execute this Lease as of the day and date first above written.

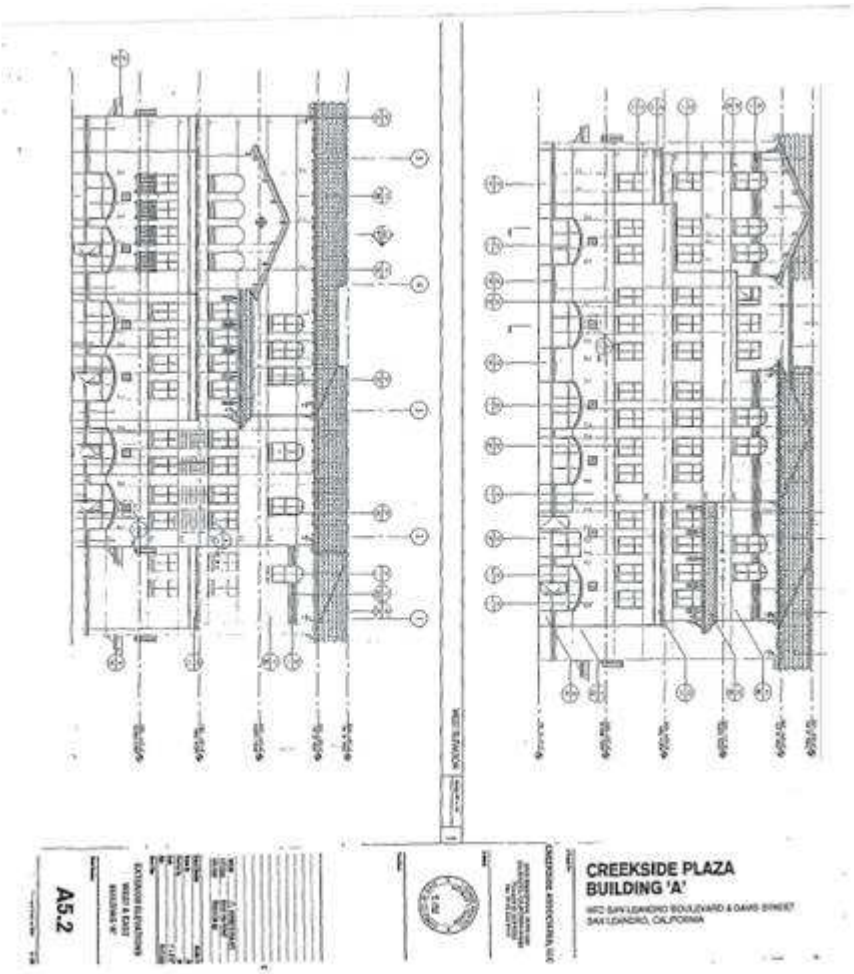
LANDLORD:	TENANT:
CREEKSIDE PARTNERS LLC, a California limited liability company	TRINET GROUP, INC., a Delaware corporation
By: /s/ [illegible signature] Its: Manager	By: /s/ Douglas P. Devlin Its: CFO
By: /s/ [illegible signature] Its: Manager	By: _____ Its: _____

Exhibit A
Site Plan, Exterior Elevations,
Premises Floor plan for Third and Forth floors

Tenant Improvement Plan to be Inserted August 1, 2001



A-2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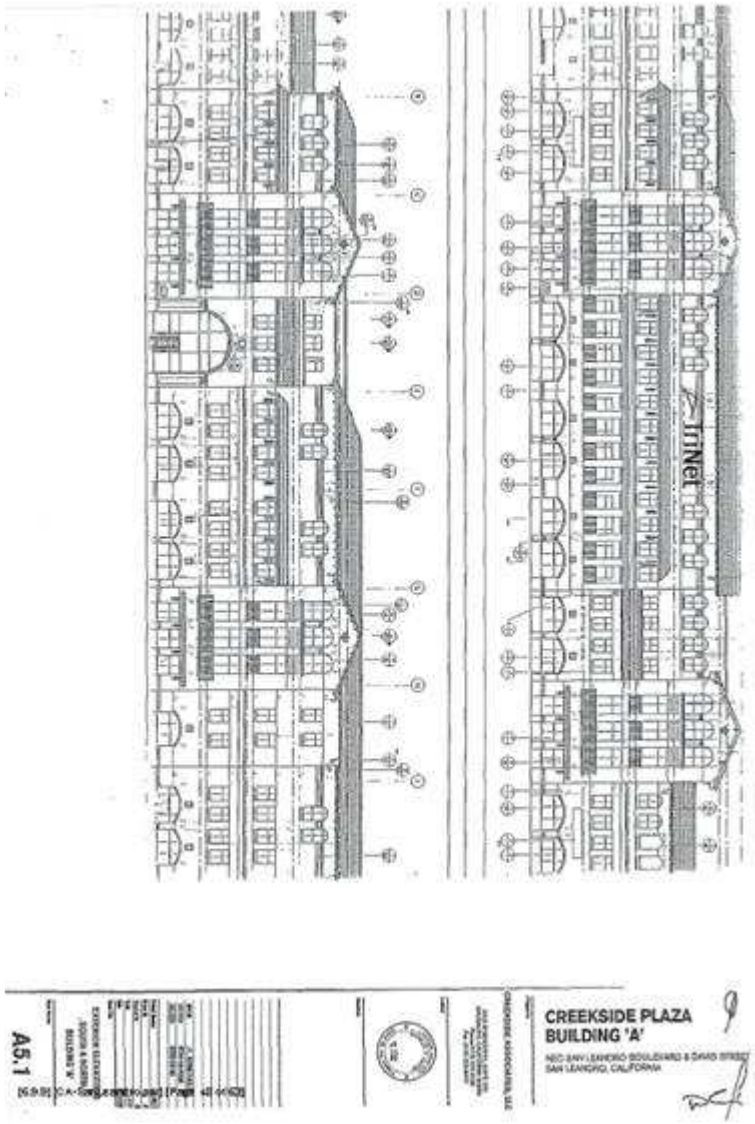
CREEKSIDE PLAZA
BUILDING 'A'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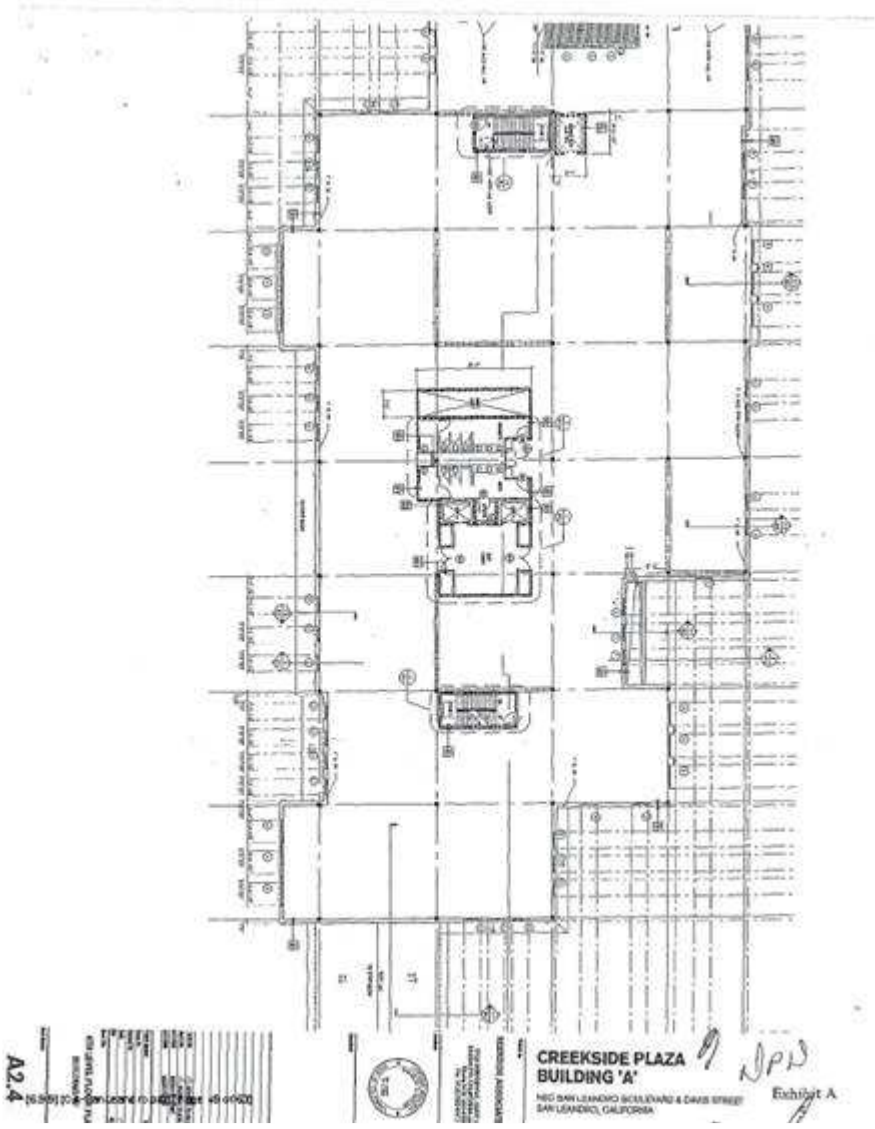
BUILDING 'A'
A5.1


A2.4
CREEKSIDE PLAZA
BUILDING 'A'
Exhibit A

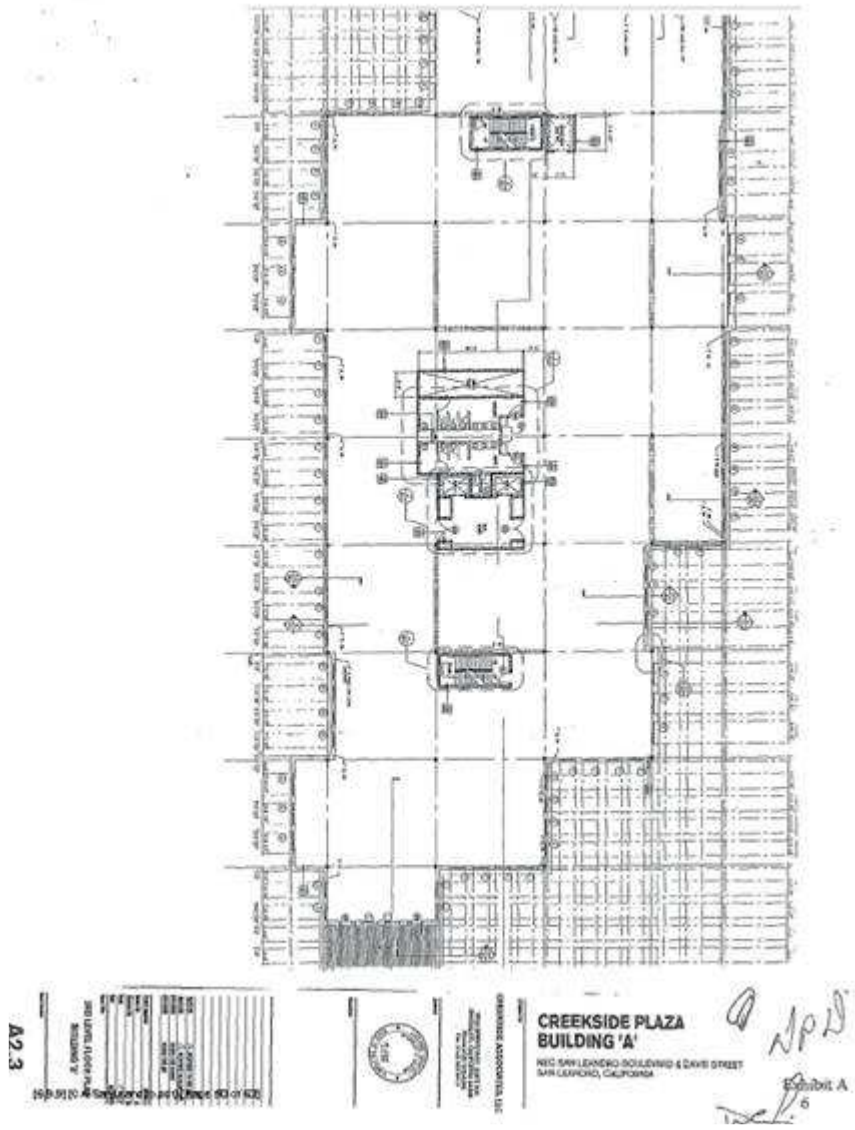

A2.3
CREEKSIDE PLAZA
BUILDING 'A'
Exhibit A
6

Exhibit B
Rules and Regulations

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Project.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two keys will be furnished by landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises.

3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the City of San Leandro. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked. Or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building register. Access to the Building may be refused unless the person seeking access has proper identification or has a previously arranged pass for access to the Building. Landlord and his agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building or the Project of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building or the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. No furniture, freight or equipment of any kind shall be brought into the Building without prior notice to Landlord. All moving activity into or out of the Building shall be scheduled with Landlord and done only at such time and in such manner as Landlord designates. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building and also the times and manner of moving the same in and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. Any damage to any part of the Building, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility and expense of Tenant.

5. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours and in such specific elevator as shall be designated by Landlord.

6. The requirements of Tenant will be attended to only upon application at the management office for the Project or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

7. Tenant shall not disturb, solicit, or canvass any occupant of the Project and shall cooperate with Landlord and its agents of Landlord to prevent the same.

8. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or agents, shall have caused it.

9. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof without Landlord's prior written consent.

10. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord.

11. Tenant shall not use or keep in or on the Premises, the Building, or the Project any kerosene, gasoline, explosive material, corrosive material, material capable of emitting toxic fumes, or other inflammable or combustible fluid or material. Tenant shall provide material safety data sheets for any Hazardous Material used or kept on the Premises.

12. Tenant shall not without the prior written consent of Landlord use any method of heating or air conditioning other than that supplied by Landlord.

13. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors, or vibrations, or interfere in any way with other tenants or those having business therein.

14. Tenant shall not bring into or keep within the Project, the Building or the Premises any animals, birds, or uninsured vehicles. Bicycles, motorcycles, and electric vehicles used for the handicapped are to be parked in designated areas.

15. No cooking shall be done or permitted on the Premises(except specific restaurant businesses approved by lessor) , nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and visitors, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations.

16. Landlord will approve where and how telephone and telegraph wires are to be introduced to the Premises. No boring or cutting for wires shall be allowed without the consent of Landlord. The location of telephone, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

17. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

18. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, halls, stairways, elevators, or any Common Areas of the Project for the purpose of smoking tobacco products (except in designated smoking areas) or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises.

19. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall refrain from attempting to adjust any controls. Tenant shall participate in recycling programs undertaken by Landlord.

20. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash in the vicinity of the Project without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate. If the Premises is or becomes infested with vermin as a result of the use or any misuse or neglect of the Premises by Tenant, its agents, servants, employees, contractors, visitors or licensees, Tenant shall forthwith, at Tenant's expense, cause the Premises to be exterminated from time to time to the satisfaction of Landlord and shall employ such licensed exterminators as shall be approved in writing in advance by Landlord.

21. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

22. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

23. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises without the prior written consent of Landlord. Tenant shall be responsible for any damage to the window film on the exterior windows of the Premises and shall promptly repair any such damage at Tenant's sole cost and expense. Tenant shall keep its window coverings closed during any period of the day when the sun is shining directly on the windows of the Premises. Prior to leaving the Premises for the day, Tenant shall draw or lower window coverings and extinguish all lights. All electrical ceiling fixtures hung in offices or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and bulb color approved by Landlord.

24. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills.

25. Tenant must comply with requests by Landlord concerning the informing of their employees of items of importance to Landlord.

26. Tenant shall not use in any space or in the public halls of the Building any hand trucks except those equipped with rubber tires and side guards or such other material-handling equipment as Landlord may approve. Tenant shall not bring any other vehicles of any kind into the Project.

27. Without the written consent of Landlord, Tenant shall not use the name of \the Building or the Project in connection with or in promoting or advertise the business of Tenant except as Tenant's address.

28. Tenant shall not purchase spring water, towels, janitorial or maintenance or other similar services from any company or persons not approved by Landlord. Landlord shall approve a sufficient number of sources of such services to provide Tenant with a reasonable selection, but only in such instances and to such extent as Landlord in its judgment shall consider consistent with the security and proper operation of the Project.

29. Tenant shall install and maintain, at Tenant's sole cost and expense, an adequate, visibly marked and properly operational fire extinguisher next to any duplicating or photocopying machines or similar heat producing equipment, which may or may not contain combustible material, in the Premises.

30. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Project and building, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

Exhibit C
Notice of Lease Term Dates

To: _____ Date: _____
_____
_____
_____

Re: Office Lease dated _____between _____, a
_____ ("Landlord"), and _____, a
_____ ("Tenant") concerning Suite _____on floor (s)
_____ of the building located at _____,
_____, California.

Gentlemen:

In accordance with the Office Lease (the "Lease"), we wish to advise you and/or confirm as follows:

1. The Premises are Ready for Occupancy, and the Lease Term shall commence on or has commenced on _____for a term of _____ ending on _____.

2. Rent commenced to accrue on _____, in the amount of _____.

3. If the Lease Commence Date is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter, with the exception of the final billing, shall be for the full amount of the monthly installment as provided for in the Lease.

4. Your rent checks should be payable to _____at _____.

5. The exact number of rentable square feet within the Premises is _____square feet.

6. Tenant's Share as adjusted based upon the exact number of rentable square feet within the Premises is ___%.

LANDLORD:

CREEKSIDE ASSOCIATES LLC ,
a limited liability company

By: _____

Its _____

Agreed to and Accepted as
Of _____

TENANT:

TriNet Group, Inc.,
a Delaware Corporation

By: _____

Its _____

Exhibit D
General Maintenance Plan

The following represents a general maintenance plan for the exterior of Building A and the Common Area grounds and parking area serving it.

1 Landlord shall maintain the leased premises in conformity with the maintenance standards herein defined:

1.1 The exterior of the Building shall be maintained in conformance and in compliance with the approved construction and architectural plans and design scheme and reasonable commercial development maintenance standards for similar projects, including but not limited to, painting and cleaning of all exterior surfaces and other exterior facades comprising all private and public improvements to the curb line.

1.2 Landscape maintenance shall include, but not be limited to, watering/irrigation, fertilization, mowing, edging, trimming of grass, tree and shrub pruning in order to keep a healthy and manicured appearance, replacement when required, and weed control in all planters, shrubs, lawns, ground cover or other planted areas.

1.3 Clean-up maintenance shall include, but not be limited to, the maintenance of all sidewalks, piazzas, fountains, paths, including the "Creekwalk," in a litter, trash, debris-free environment in and about the Building, the Common Area and the Parking Lot. Clearance of all areas shall be maintained prior to the end of the day on which the maintenance operations are performed to ensure that all garbage trash, landscape, clippings, leaves and all debris are properly disposed of by the maintenance crew.

1.4 Public and private sidewalks, piazzas and meeting areas outside of the Building shall be kept in a clean, neat, safe, litter-free, odor-free, sanitary condition; maintenance includes steam cleaning of hardscape sidewalks and paved surfaces as is necessary to remove grime and grease and the removal of foodstuff from public seating areas in the Common Area, including the "Creekwalk."

1.5 The designated Parking Lot shall be maintained free of litter trash and dirt. Grease and oil shall be removed on a regularly scheduled basis by way of sweeping, steam and water cleaning The lighting system shall be maintained on a regular basis with burned out bulbs replaced and light standards painted and repaired as is required. The Parking Lot and the adjacent walkways shall be repaired or replaced when required due to damage or wear.

1.6 Any and all chemicals, unhealthy substances and pesticides used in the maintenance process shall be applied in strict accordance with all regulatory agency regulations governing the Property.

1.7 The Creekside Plaza Business Park and any other improvements undertaken on the Property shall be maintained in good condition and in accordance with the custom and practice generally applicable to comparable first-class office facilities located within Alameda County, California.

Exhibit E
Attornment and Nondisturbance Agreement

This Attornment and Nondisturbance Agreement (the "Agreement") is made and entered into as of the _____day of _____, by and among _____("Tenant"), CREEKSIDE Associates LLC, a California limited liability company (hereafter referred to as either "Landlord" or "Borrower"), and _____("Lender").

RECITALS

WHEREAS, Lender has made a loan (the "Loan") to Borrower evidenced by a note (the "Note") secured by a deed of trust (the "Deed of Trust"), constituting a first lien upon the land described therein and the improvements thereon (the "Property");

WHEREAS, Landlord and Tenant have entered into a certain lease dated _____which lease provides for the direct payment of rents from Tenant to Landlord for the use and occupancy of Suite _____in that building located at, _____, San Leandro, California ("The Premises") by Tenant, as more fully set forth in the lease (hereafter, the lease and all present and future amendments and modifications thereto, and extensions thereof, shall be referred to as the "Lease");

WHEREAS, Lender wishes to obtain from Tenant certain assurances that Tenant will attorn to the purchaser at a foreclosure sale in the event of a foreclosure or to the holder of the Note and Deed of Trust in the event of such holder's exercise of its rights under the Note and Deed of Trust;

WHEREAS, Tenant wishes to obtain from Lender certain assurances that, so long as Tenant is not in default of Tenant's obligations to Landlord under the Lease, Tenant shall not be disturbed in its peaceful possession of the Premises as a result of actions taken by Lender pursuant to its rights under the Deed of Trust; and

WHEREAS, Tenant and Lender are both willing to provide such assurances to each other upon and subject to the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the above, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually agree as follows:

1. Attornment . Tenant hereby agrees that the Lease shall not terminate in the event of a foreclosure of the Deed of Trust, whether by judicial or nonjudicial or any other proceedings brought to enforce the Deed of Trust or by deed in lieu of foreclosure, and Tenant further agrees to attorn to and recognize Lender or the purchaser ("Purchaser") at such foreclosure sale, as Tenant's landlord for the balance of the term of the Lease, in accordance with the terms and provisions thereof, but subject, nevertheless, to the provisions of this Agreement, which Agreement shall be controlling in the event of any conflict.

2. Estoppel . Landlord and Tenant hereby agree that the Lease is valid, enforceable and in full force and effect, that as of the date hereof there are no defaults by Landlord or Tenant, that there are no setoffs or counterclaims by Tenant to the payment of rent due under the Lease, that all conditions to the effectiveness or continuing effectiveness of the Lease required to be satisfied as of the date hereof have been satisfied and that the Lease is a complete statement of the agreements of Tenant and Landlord with respect to the Premises.

3. Tenant's Representation and Warranties . Tenant hereby represents and warrants to Lender that the Lease and its rights thereunder are not subordinate to any lien or deed of trust other than the Deed of Trust and all renewals, modifications, consolidations, replacements and extensions thereof, and that it will not subordinate the Lease or its rights thereunder to any lien or deed of trust without the prior written consent of Lender.

4. Lender's Rights . Tenant and Landlord agree that, at the request of Lender, the rent payments due under the Lease shall be paid directly to Lender and any such payments to Lender shall be credited against the rent due under the Lease as if made to the Landlord.

5. Nondisturbance . So long as Tenant is not in default under the Lease beyond any notice and cure period expressly provided in the Lease, Lender agrees with Tenant that in the event the interest of Landlord is acquired by Lender, or Lender acquires title to the Property or comes into possession of said Property by reason of foreclosure or enforcement of the Deed of Trust or the Note, or by a conveyance in lieu thereof, or by any other means, Tenant's possession of the Premises and Tenant's rights, privileges and obligations under the Lease shall not be disturbed, diminished or interfered with by Lender or any party claiming through Lender during the term of the Lease, including any extensions thereof permitted to Tenant, and the Lease shall continue in full force and effect and shall not be terminated except in accordance with the terms of the Lease.

Immediately upon the acquisition by Lender or Purchaser of possession or title to the Property by reason of foreclosure or enforcement of the Deed of Trust or the Note, or by a conveyance in lieu thereof, or as a result of any other means, Tenant agrees to be bound to Lender or Purchaser under all of the terms, covenants, and conditions of the Lease for the balance of the term thereof, including any extensions thereof permitted to Tenant, with the same force and effect as if Lender or Purchaser were the landlord under the Lease, and Tenant does hereby attorn to Lender or Purchaser as its landlord, said attornment to be effective and self-operative without the execution of any other instruments on the part of either party hereto.

Lender further agrees that if it obtains possession or title to the Property during the Lease term, Lender shall be bound to Tenant under all of the terms, covenants, and conditions of the Lease and Tenant shall, from and after the occurrence of the events set forth above, have the same remedies that Tenant might have had under the Lease against Landlord; provided, however, that Lender or Purchaser shall not be:

a. liable to Tenant for damages for any act or omissions of Landlord or any prior landlord occurring prior to Lender or Purchaser obtaining possession or title to the Property;

b. subject to any offsets, claims or defenses which Tenant might have ‘ against Landlord or against any prior landlord which arise prior to the date Lender or Purchaser obtains possession or title to the Property;

c. bound by any rent or additional rent or deposit, rental security or any other sums which Tenant may have paid to Landlord or any other landlord;

d. bound by any amendment or modification of the Lease made without Lender’s prior written consent; or

e. obligated or liable to Tenant with respect to the construction or completion of the initial improvements in the Premises for Tenant’s use, enjoyment or occupancy or any payment or allowance in connection therewith.

6. Obligations of Succeeding Owner . Tenant hereby agrees that any entity or person which at any time hereafter becomes the Landlord under the Lease, including, without limitation, Lender, as a result of Lender’s exercise of its rights under the Deed of Trust, or a purchaser from Lender, shall be liable only for the performance of the obligations of the Landlord under the Lease which arise and accrue during the period of such entity’s or person’s ownership of the Property.

7. Notices . All notices or other written communications required or permitted to be given pursuant to this Agreement shall be in writing, and shall be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged, (ii) one business day after having been deposited for overnight delivery with any reputable overnight courier service, or (iii) three business days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage paid, addressed as follows:

If to Borrower: _____
_____
_____
Attn:_____

And

_____
_____
_____
Attn:_____

If to Tenant: _____
_____
_____
Attn:_____

If to Lender: _____
_____
_____
Attn:_____

or addressed as such party may from time to time designate in a writing to the other parties hereto and delivered in accordance with the provisions of this Section 7.

8. Miscellaneous . This Agreement may not be amended or modified in any manner other than by agreement in writing, signed by the parties hereto or their respective successors in interest, and this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The words "foreclosure" and "foreclosure sale" as used herein shall be deemed to include the acquisition of Landlord's estate in the Property by any power of sale contained in the Deed of Trust, or by voluntary deed, assignment or other conveyance or transfer of foreclosure.

9. Conflicts with Lease . This Agreement shall supersede, as between Tenant and Lender, all of the terms and provisions of the Lease which are inconsistent with this Agreement but shall not affect any obligations or liabilities of Borrower, as landlord, under the Lease.

10. Governing Law Venue . This Agreement shall be construed in accordance with the laws of the State of California and any litigation arising out of this Agreement shall be brought in the courts of the State of California and all parties hereto consent to the venue of such courts.

11. Effect of Agreement . Borrower joins in the execution and delivery of this Agreement for the purpose of evidencing its consent to the terms and provisions hereof, and as between Borrower and Tenant, nothing herein contained shall be deemed to alter or modify the Lease. As between Lender and Borrower, nothing contained herein shall be deemed to alter or modify the terms and conditions of the Note, the Deed of Trust, or any other document or agreement regarding the Loan made by Lender to Borrower.

12. Attorneys' Fees . In the event that any party or parties hereto bring suit to enforce any of the provisions of this Agreement, all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party or parties shall be paid by the other party or parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be properly executed by their duly authorized representatives as of the date first above written.

TENANT:

_____

By: _____

Its: _____

LANDLORD: CREEKSIDE ASSOCIATES LLC, a California limited liability company

_____

By: _____

Its: _____

LENDER:

_____

By: _____

Its: _____

Exhibit 10.16

FIRST AMENDMENT TO OFFICE BUILDING LEASE

This FIRST AMENDMENT TO BUILDING OFFICE LEASE ("First Amendment"), dated June 21, 2012, is entered into by and between Creekside Associates, LLC a California liability company ("Landlord") and TriNet Group, Inc., a Delaware Corporation ("Tenant").

WHEREAS Tenant entered into that certain Lease Agreement dated April 24 th , 2001 ("Lease") with Landlord to lease the premises as designated in the Lease containing approximately 48,693 rentable square feet located at 1100 San Leandro Blvd, Suites 300 & 400, San Leandro, California (the "Premises") with a commencement date of April 15 th , 2002 and an expiration date of April 14 th , 2017.

WHEREAS, Landlord notified Tenant of Landlord's name change to Creekside Partners 1100, LLC a California limited company per that certain letter dated February 6 th , 2004.

NOW, THEREFORE, for valuable consideration the parties desire to make other changes as specified in this First Amendment to Lease as follows:

1) **Lessor's Name Change** : Lessor hereby notifies Lessee that Lessor's name is change to "Creekside Plaza Partners, LLC, a Delaware limited liability company".

2) **Security Deposit** : Landlord and Tenant hereby agree to amended Section 10 "Security Deposit" of the Summary of Basic Lease Information contained within the Lease whereby reducing the Security Deposit to Five Hundred Thousand Dollars ($500,000.00).

3) **Entire Agreement** : This Amendment contains all of the agreements of the parties hereto with respect to the matters contained herein, and no prior agreement, arrangement or understanding pertaining to any such matters shall be effective for any purpose. Nothing in this Amendment shall be deemed to waiver, modify any provisions of the Lease except as expressly stated herein.

4) **Ratification:** Except as hereby amended, the Lease shall remain unmodified and is ratified and confirmed.

5) **Successors:** The provisions of this Amendment shall bind and inure to the benefit of the heirs, representatives, successors and assigns of the parties hereto.

6) **Definitions:** Terms not defined in this Amendment shall have the definition found in the Lease.

(THIS SPACE INTENTIONALLY LEFT BLANK)

IN WITNESS THEREOF, the Parties hereto have executed this First Amendment to Office Building Lease.

AGREED:
CREEKSIDE PLAZA PARTNERS , LLC,
a Delaware limited liability company

By: /s/ T. Lawrence Jett
Name: T. Lawrence Jett
Its: Manager
Date: 6/22/12

AGREED:
TRINET GROUP, INC., a Delaware Corporation

By: /s/ William Porter
Name: William Porter
Its: CFO
Date: 6/21/12

AND

By: /s/ David C. Irmer
Name: David C. Irmer
Its: Manager
Date: 6/26/12

Exhibit 21.1

SUBSIDIARIES OF TRINET GROUP, INC.

Company Name	DBA/AKA	Incorporation Jurisdiction
TriNet Group, Inc.	TriNet	Delaware
TriNet HR Corporation	TriNet	California
TriNet HR II, Inc.	TriNet	Delaware
TriNet HR V, Inc.	TriNet	Delaware
TriNet Employer Group Canada, Inc.	TriNet	Ontario
TriNet Insurance Services, Inc.		California
TriNet Employee Benefit Insurance Trust		a Grantor Trust
Archimedes Risk Solutions, Ltd.		Bermuda
Gevity Insurance Agency, Inc.		Delaware
App7, Inc.	ExpenseCloud	Delaware
210 Park Avenue Holding, Inc.		Oklahoma
Accord Human Resources, Inc.	Accord	Oklahoma
Accord Human Resources 2, Inc.	Accord Human Resources of Florida II, Inc.	Florida
Accord Human Resources 8, Inc.	Accord Human Resources of Georgia, Inc.	Oklahoma
Accord Human Resources 10, Inc.		Florida
Accord Human Resources of California, Inc.	Accord Human Resources 11, Inc.	California
Accord Human Resources 12, Inc.	Accord Human Resources of Florida, Inc.	Florida
Accord Human Resources 13, Inc.	Accord Human Resources of New York II, Inc.	New York
Accord Human Resources 14, Inc.	Accord Human Resources of New York, Inc.	New York
Accord Human Resources of California II, Inc.	Accord Human Resources 15, Inc.	California
Accord Human Resources 16, Inc.	Accord Human Resources of Texas, Inc.	Texas
Accord Human Resources 17, Inc.	Accord Human Resources of Colorado, Inc.	Colorado
Accord Human Resources 18, Inc.	Accord Human Resources of New York III, Inc.	New York
Accord Human Resources 19, Inc.	Accord Personnel Services, Inc.	Florida
Accord Human Resources 20, Inc.	CEO, Inc.	Indiana

Company Name	DBA/AKA	Incorporation Jurisdiction
Accord Technology, LLC		Oklahoma
Mosaic By Accord, LLC		Oklahoma
SOI Holdings, Inc.		Delaware
Strategic Outsourcing, Inc.	SOI	Delaware
SOI, Inc.		Delaware
Amlease Corporation		Delaware
Summit Services, Inc.		New Jersey
Summit Services of Georgia, Inc.		Georgia
Amlease of PA, Inc.		Pennsylvania
SOI-15 of NC, Inc.		North Carolina
SOI-17 of TN, Inc.		Tennessee
SOI-23 of FL, Inc.		Florida
SOI-24 of AR, Inc.		Arkansas
Real Solutions, Inc.		Arizona
SOI-27 of CA, Inc.		California
SOI-28 of TX, Inc.		Texas
SOI-29 of AR, Inc.		Arkansas
SOI-30 of TX, Inc.		Texas
SOI-31 of AR, Inc.		Arkansas
FLSUB-34, Inc.		Florida
ALSUB-35, Inc.		Alabama
ALSUB-36, Inc.		Alabama
FLSUB-37, Inc.		Florida
FLSUB-38, Inc.		Florida
FLSUB-43, Inc.		Florida
FLSUB-44, Inc.		Florida
Strategic Outsourced HR, Inc.		Indiana
Star Outsourcing, Inc.		Arizona

Company Name	DBA/AKA	Incorporation Jurisdiction
AZSUB-51, Inc.		Arizona
NYSUB-54, Inc.		New York
NYSUB-55, Inc.		New York
SOI-59 of TX, Inc.		Texas
FLSUB-62, Inc.		Florida
TXSUB-64, Inc.		Texas
FLSUB-65, Inc.		Florida
Route 66 HR Outsourcing, Inc.		California
FLSUB-67, Inc.		Florida
Mayberry HR Outsourcing, Inc.		North Carolina
Rocky Top HR Outsourcing, Inc.		Tennessee
HR Complete, Inc.		Delaware
ASOI, Inc.		Delaware
FLSUB-72, Inc.		Delaware
FLSUB-73, Inc.		Delaware
FLSUB-74, Inc.		Delaware
FLSUB-75, Inc.		Delaware
FLSUB-76, Inc.		Delaware
Affiliated Risk Management, Inc.		North Carolina
Ambrose Employer Group, LLC	Ambrose	New York
Ambrose Employer Group (USA), LLC	Ambrose	New York
Ambrose Advisory Services, LLC		New York

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated November 20, 2013, in the Registration Statement (Form S-1) and related Prospectus of TriNet Group, Inc. for the registration of shares of its common stock.

/s/ Ernst & Young LLP

San Francisco, California
November 20, 2013

Exhibit 23.3

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Form S-1 of TriNet Group, Inc. of our report dated April 13, 2012, except for the effects of the restatement described in the last paragraph of Note 2, as to which the date is November 18, 2013, relating to the financial statements of SOI Holdings, Inc., which appears in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina
November 19, 2013

Exhibit 23.4

CONSENT OF INDEPENDENT AUDITORS

We consent to the inclusion in the Registration Statement of TriNet Group, Inc. on Form S-1 of our report dated May 2, 2013 on our audits of the consolidated financial statements of Ambrose Employer Group, LLC and Subsidiary as of December 31, 2011 and 2012 and for each of the three years in the period ended December 31, 2012. We also consent to the reference to our firm under the caption “Experts”.

/s/ CohnReznick LLP

New York, New York
November 18, 2013